REAPPRAISAL PLAN
FOR TAX YEAR 2015 AND 2016
WASHINGTON COUNTY APPRAISAL DISTRICT

Adopted
September 10, 2014

EXECUTIVE SUMMARY

TAX CODE REQUIREMENTS

Passage of S.B. 1652 amended the Texas Property Tax Code to require a written biennial reappraisal plan. The following section details the changes made to the Code.

The Written Plan

Section 6.05, is amended by adding Subsection (I) to read as follows:

(I) To ensure adherence with generally accepted appraisal practices, the Board of Directors of an appraisal district shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Sec. 25.18 and shall hold a public hearing to consider the proposed plan. Not later than the 10th day before the date of the hearing, the secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the appraisal district a written notice of the time, date and place of the hearing. Not later than September 15th of each even numbered year, the board shall complete its hearings, make any amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the comptroller within 60 days of the approval date.

Plan for Periodic Reappraisal

Subsections (a) and (b), Section 25.18 Texas Property Tax Code, are amended to read as follows:

(a) Each appraisal district shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05 (i).

(b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:

(1) Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photography, land based photographs, surveys, maps and property sketches;

(2) Identifying and updating relevant characteristics of each property in the appraisal records;

(3) Defining market areas in the district;

(4) Identifying property characteristics that affect property value in each market area, including:

(A) The location and market area of the property;
(B) Physical attributes of property, such as size, age, and condition;
(C) Legal and economic attributes; and
(D) Easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;

(5) Developing an appraisal model that reflects the relationships among the property characteristics affecting the value in each market area and determines the contribution of individual property characteristics;

(6) Applying the conclusions reflected in the model to the characteristics of the properties being appraised; and

(7) Reviewing the appraisal results to determine value.

REVALUATION DECISION (REAPPRAISAL CYCLE)

The Washington County Appraisal District, in accordance with the policy adopted by the Board of Directors, reappraises all property in the district every two years. The reappraisal year is a complete appraisal of all properties in the district. Tax year 2015 is a reappraisal year and tax year 2016 is not a reappraisal year.

REAPPRAISAL AND NON-REAPPRAISAL YEAR ACTIVITIES

1. **Performance Analysis** - the approved values from the previous tax year are analyzed with ratio studies to determine the appraisal accuracy and appraisal uniformity overall and by market area within property reporting categories. Ratio studies are conducted in compliance with the most current *Standard on Ratio Studies* of the International Association of Assessing Officers.

2. **Analysis of Available Resources** - staffing and budget requirements for tax year 2015 are detailed in the 2014-2015 budget, as attached (see Attachment D) to the written biennial plan by reference. Existing appraisal practices, which are continued from year to year, identified and methods utilized to keep these practices current are specified. Information Systems support is detailed with year specific functions identified and system upgrades scheduled. Existing maps and data requirements are specified and updates scheduled.

3. **Planning and Orgranization** - a calendar of key events with critical completion dates is prepared for each major work area. This calendar identifies all key events for appraisal, clerical, customer service, and information systems. A calendar (Attachment H) is prepared for tax years 2015 and 2016. Production standards for field activities are estimated and incorporated in the planning and scheduling process.

4. **Mass Appraisal System** - Computer Assisted Mass Appraisal (CAMA) system revisions required are specified and scheduled with Information Systems. All computer forms and Information System procedures are reviewed and revised as required.

5. **Data Collection Requirements** - Field and office procedures are reviewed and revised as required for data collection. Activities scheduled for each tax year include addition of new construction, removal due to demolition or movement, re-inspection due to remodeling, re-inspection of problematic market areas, property categories or individual properties re-inspection of the universe of properties on a specific cycle, and field or office verification of sales data and property characteristics.

6. **Pilot study by tax year** - new and/or revised mass appraisal models are tested each tax year. Ratio studies, by market area, are conducted on proposed values each tax year. Proposed values on each category are tested for accuracy and reliability in randomly selected market areas.

7. **Valuation by tax year** - using market analysis of comparable sales and locally tested cost data, valuation models are specified and calibrated in compliance with supplemental standards from the International Association of Assessing Officers and the Uniform Standards of Professional Appraisal Practice. The calculated values are tested for accuracy and uniformity using ratio studies.

8. **The Mass Appraisal Report** - each tax year the mass appraisal report required by the tax code is prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar (on/or about May 15th). The Mass Appraisal Report is completed in compliance with STANDARD RULE 6-8 of the Uniform Standards of Professional Appraisal Practice. The signed certification by the chief appraiser is compliant with STANDARDS RULE 6-9 of USPAP. This written re-appraisal plan is attached to the report by reference.

9. **Value defense** - evidence to be used by the appraisal district to meet the burden of proof for market value and equity in both informal and formal appraisal review board hearings is specified and tested.

The following sections of the plan detail the items in the executive summary.

REVALUATION DECISION (REAPPRAISAL CYCLE)

The Washington County Appraisal District, in accordance with the reappraisal plan adopted by the Board of Directors, reappraises all property in the district every two years. The reappraisal year is a complete appraisal of all properties in the district. The non-reappraisal year is used to add new construction, new subdivisions, new business personal property, new oil and gas leases, adjust for changes in property characteristics that affect value, and adjust the previous year's values on individual properties, property categories or market areas where the level of appraisal and/or uniformity of appraisal is unacceptable. However, the following property types are reappraised annually: oil and gas reserves, business personal property, industrial real property, industrial personal property, utilities, special inventory residential property, and

properties qualified for agricultural use or timber use productivity valuation. Oil and gas reserves, industrial properties, and utilities are valued through a professional services contract with the district's valuation engineer, Thomas Y. Pickett & Company, Inc. All other properties are valued on an in-house basis by the appraisal district staff.

TAX YEAR 2015

Tax year 2015 is a reappraisal year.

TAX YEAR 2016

Tax year 2016 is not a reappraisal year.

CONTINGENCY

In the event that circumstances develop preventing the appraisal district from substantially implementing the plan or requiring significant changes in the plan for tax year 2015 or 2016, a revised plan may be issued. The board of directors shall hold a public meeting to consider the revised plan. Not later than the 10th day before date of the meeting, the board secretary shall deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time and place of the meeting. The notice shall also include a description of the revisions and explanations for the revisions. Copies of the revised plan shall be distributed to the presiding officer of the governing body of each taxing unit in the district and to the Comptroller within 60 days of the approval date.

PERFORMANCE ANALYSIS

In each tax year 2015 and 2016, the previous year's approved values are analyzed with ratio studies to determine appraisal accuracy and appraisal uniformity overall and by market area within the state property reporting categories. Ratio studies are conducted in compliance with the most current Standard on Ratio Studies from the International Association of Assessing Officers. The following statistical measures are calculated for properties in each reporting category (where there is a sufficient number of sales) to measure the level of appraisal and uniformity of appraisal: mean, median, weighted mean, and coefficient of dispersion. The mean, median and weighted mean ratios are calculated in each market area (where there is a sufficient number of sales) to indicate the level of appraisal by property reporting category. The coefficient of dispersion is calculated in each market area (where there is a sufficient number of sales) to indicate the uniformity of appraisal within each property reporting category. Where there are insufficient sales in a given market area to conduct performance analysis, the sales may be clustered so that the resulting sample of sales is large enough to provide meaningful performance analysis. In the reappraisal year of 2015, this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. In the 2016 non-reappraisal year, this analysis is used to indicate the uniformity or equity of existing appraisals.

ANALYSIS OF AVAILABLE RESOURCES

Staffing and budget requirements for tax year 2015 are detailed in the 2014-2015 appraisal district budget as adopted by the board of directors and attached to the written biennial plan by reference. This reappraisal plan reflects the available staffing in tax year 2015 and the anticipated staffing for tax year 2016. Staffing will impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in the 2015-2016 time period.

Existing appraisal practices, which are continued from year to year, are identified and methods utilized to keep these practices current are specified. In the reappraisal year, real property appraisal replacement cost new tables and depreciation tables are tested against verified sales data to insure they represent current market data. Information concerning income, expenses, vacancies, and capitalization rates is gathered from reliable local sources and reviewed and updated. Asset cost information from business personal property renditions and density schedules for business property from public and private sources may also be used.

Information systems support is detailed with year specific functions identified and system upgrades scheduled. Computer generated forms are reviewed for revisions. Legislative changes are scheduled for completion and testing. Existing maps and data requirements are specified and updates scheduled.

PLANNING AND ORGANIZATION

A calendar of key events with critical completion dates is prepared for each major work area. This calendar identifies all key events for appraisal, clerical, customer service, and information systems. A separate calendar is prepared for tax years 2015 and 2016. Production standards for field activities are calculated and incorporated in the planning and scheduling process. A calendar of key events for tax year 2015 and 2016 is attached to this plan.

MASS APPRAISAL SYSTEM

Computer Assisted Mass Appraisal (CAMA) system revisions are specified and scheduled with Information Systems. All computer forms and Information System procedures are reviewed and revised as required. The following details these procedures as they relate to the 2015 and 2016 tax years:

(1) Review and revise user set-up, user rights, and user security
(2) Review and revise set-ups for CAMA and Assessments
(3) Review and revise system codes
(4) Review, update and advise staff of specific field information required for data entry
5) Review and revise all system forms for upcoming tax year based on administrative and legislative changes
(6) Test forms revisions against sample property accounts
(7) Monitor system for installation of new releases and patches

(8) Test sample property accounts to verify functionality of releases and patches
(9) Schedule Web-ex seminars for system revisions and updates with software vendor
(10) Produce preliminary totals and edit check reports
(11) Perform January 1st functions as specified by software vendor's documentation
(12) Perform shared property processing and test and advise
(13) Perform notice processing functions as specified by TSG documentation
(14) Perform certification functions as specified by TSG documentation
(15) Schedule and perform regular system back-ups, ad hoc updates and rebuilds, CAMA and assessment calculations
(16) Assist users in PC backups, clearing cache, and virus software maintenance
(17) Perform supplemental processing
(18) Generate Reports
(19) Perform data queries as necessary

REAL PROPERTY VALUATION

Revisions to cost models, income models, and market models, are specified, updated and tested each tax year.

Cost schedules are tested with market data (sales) to insure that the appraisal district is in compliance with Texas Property Tax Code, Sec. 23.011. Replacement cost new tables as well as depreciation tables are tested for accuracy and uniformity using ratio studies and compared with cost data from generally accepted sources. The appraisal district utilizes data from Marshall & Swift Valuation Services which is a recognized industry leader.

Land tables are updated using current market data (sales) and then tested with ratio studies. Value modifiers are developed and tested with ratio studies.

Income, expense, occupancy, and capitalization rate data is updated in the income models and tested.

PERSONAL PROPERTY VALUATION

Density and quality schedules for furniture, fixtures, and equipment (FFE) and inventory are based on the Comptroller's latest business personal property valuation guide as well as data received from renditions and other sources. Valuation procedures are reviewed, modified as needed, and tested.

NOTICING PROCESS

The 25.19 notice of appraised value forms are reviewed and edited for necessary updates and revisions, including the most current version of the Comptroller's Taxpayer Rights, Remedies and Responsibilities. Notices of appraised value are mailed for all properties on the appraisal roll in the reappraisal year and to those as required by law in the non-reappraisal year; however, notices are mailed annually for business personal property, industrials, utilities, and oil and gas properties.

HEARING PROCESS

Protest hearing scheduling for informal and formal Appraisal Review Board hearings is reviewed and updated as required. Standards of documentation are reviewed and amended as necessary. Production of documentation is tested for compliance with Sec. 41.461 of the Property Tax Code.

DATA COLLECTION REQUIREMENTS

Appraisers annually inspect all areas of the county on a generalized basis to address issues such as new improvements, remodeling, demolition, and other updates to property characteristics. Additionally each year, the appraisers inspect designated areas in a more detailed manner on a two year basis so that approximately one-half of the county is reinspected one year and the remaining one-half the next year. The designated reinspection areas are shown in a later section of this plan. In making inspections, the appraisers compare data in the appraisal records to the actual characteristics of the property to be sure that the appraisal records reflect current conditions and data. Also, a reinspection of a property may be conducted at any time, if deemed necessary, to verify property characteristic data.

NEW CONSTRUCTION/DEMOLITION/REMODELING

Field and review procedures for new construction, demolition and remodeling are identified and revised as required. Field production standards are established and procedures for monitoring tested. Only verified sources of information concerning new construction, demolition and remodeling are used. This critical annual activity is incorporated and entered on the key events calendar for each tax year.

RE-INSPECTION OF PROBLEMATIC MARKET AREAS/PROPERTY TYPES/PROPERTIES

Property types, market areas, and individual properties that fall outside of the normal range of generally accepted statistical measures are determined to be problematic. Field reviews are scheduled to verify and/or correct property characteristic data. Sales confirmation data is re-verified and additional sales data is researched.

REINSPECTION OF THE UNIVERSE OF PROPERTIES

Sec. 25.18 of the Texas Property Tax Code requires a re-inspection of the universe of properties at least once every three years. The plan calls for re-inspection, as defined in Sec. 28.18 b (1) every two years. The re-inspection requirements for tax years 2015 and 2016 are identified and scheduled on the key events calendar and map which is attached to this report.

For tax year 2015 all real properties are reinspected in the following zones:

Zone 1, Zone 4, Zone 6, Zone 7 and Zone 8.

For tax year 2016 all real properties are reinspected in the following zones:

Zone 1, Zone 2, Zone 3, Zone 4 Zone 5, Zone 7 and Zone 9.

Additionally, as previously mentioned, all areas, inside and outside of the designated reinspection zones are annually inspected on a generalized basis to address new improvements, demolition, remodeling, and other updates to property characteristics. **Finally, a reinspection of any property may be conducted at any time, if deemed necessary to verify property characteristic data.** The sequence of reinspections is made at the discretion of the appraiser and depends on staff availability, weather and other factors.

FILED OR OFFICE VERIFICATION OF SALES DATA AND PROPERTY CHARACTERISTICS

Sales information must be verified and property characteristic data contemporaneous with the date of sale captured. The sales ratio tools require that the property sold must equal the property appraised in order for the statistical analysis to be valid.

PILOT STUDIES

New and/or revised mass appraisal models are tested on certain market areas and property categories. These modeling tests (sales ratio studies) are conducted each tax year. Actual test results are compared with anticipated results and those models not performing satisfactorily are refined and tested. The procedures used for model specification and model calibration are in compliance with Uniform Standards of Professional Practice STANDARD RULE 6.

VALUATION BY TAX YEAR

Using market analysis of comparable sales and locally tested cost data, market area specific income and expense data--- valuation models are specified and calibrated in compliance with the supplemental standards from the International Association of Assessing Officers and the Uniform Standards of Professional Appraisal Practice. The calculated values are tested for accuracy and uniformity using ratio studies. Performance standards are those established by the IAAO Standard on Ratio Studies. Property values in all market areas are updated each reappraisal year. Properties in selected market areas are updated in non-reappraisal years. Tax

year 2015 is a reappraisal year. Tax year 2016 is not a reappraisal year.. The non-reappraisal year is used to add new construction, new subdivisions, new business personal property, new oil and gas leases, adjust for changes in property characteristics that affect value, and adjust the previous year's values on individual properties, property categories, or market areas where the level of appraisal and/or uniformity of appraisal is unacceptable. The following property types are reappraised annually: oil and gas reserves, business personal property, industrial property, utilities, special inventory residential, and properties qualified for agricultural use or timber use productivity valuation.

.SINGLE FAMILY RESIDENTIAL REAL PROPERTY

The plan calls for biennial reappraisal of single family residential properties with 2015 being a reappraisal year and 2016 being a non-reappraisal year.

Identifying properties to be appraised: Single family residential properties are identified as part of the appraiser's physical inspection process each year, through data submitted by the property owner, or by other reliable means of identification, including deeds or other legal documentation, photographs, maps and property sketches.

Identifying and updating relevant characteristics of each property in the appraisal records: The appraiser identifies and updates relevant characteristics through the inspection process. Subject property data is verified through previously existing records and through information provided by other reliable sources.

Defining market areas in the district: The diversity of housing types and geographic areas in the district requires the use of market areas, also called neighborhoods. The appraiser identifies groups of properties where the social, economic, governmental, and physical forces affecting value are generally similar and uniform and delineates them into defined areas based on factors such as location, price range, age of dwelling, quality and condition of dwelling, and square footage of living area. The market areas of Washington County are ATTACHMENT F of this body of work

Identifying property characteristics that affect property value in each market area: The appraiser identifies the location and market area of the property; physical attributes of the property such as size, age, and condition; legal and economic attributes; and easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions through physical inspection legal instruments and documents and analysis of data and information from other reliable sources.

Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: The district' s primary approach to value for single family residential properties uses a hybrid cost-sales comparison approach that accounts for market area influences.

Applying the conclusions reflected in the model to the characteristics of the properties being appraised: After considering all three approaches to value (cost, sales comparison, and income) the hybrid cost sales-comparison approach is chosen because it accounts for market area influences not otherwise specified in the cost approach applied at large. The income approach

is not used because single family residential properties are not generally purchased for their ability to produce income.

Reviewing the appraisal results to determine value: Year to year property value changes for the subject property are examined. Sales ratio studies are conducted to determine if the level of appraisal and uniformity of appraisal are acceptable. Additionally, single family residential properties are reviewed by the Property Tax Division of the State Comptroller's Office through their biennial property value study.

Description of Valuation Methods for Single Family Residential Property

Replacement Cost New

The cost approach is used to value single family residential properties in the appraisal district.

Residential land values are specified by the sales comparison approach. An analysis of residential lot sales is conducted and a series of land tables using front foot, square foot, per acre or per lot unit values are developed and assigned to specific market areas. Table driven values may be modified for shape, size, topography or other factors.

The approach establishes replacement cost new (RCN) using a comparative unit method --- cost per square foot of living area. Costs for building additives such as porches and garages are expressed in terms of a square foot cost based on a percentage of the cost basis for the living area. Building component costs for items in excess of base cost, such as fireplaces and extra bathrooms are expressed as a lump sum basis. RCN as specified by Marshall & Swift for different levels of quality of construction, exterior characteristics, and different sizes is determined.

A local modifier is determined by analyzing a group of sold properties consisting of new construction and then applied to the Marshall & Swift indicated costs. The final modified costs are set up in a series of cost schedules where properties are classified by quality of construction, type of construction, and size. The scheduled costs may be overridden to account for atypical features or characteristics not adequately addressed by the benchmark cost system. In accordance with Sec. 23.011 Texas Property Tax Code, if the locally produced cost data varies from generally accepted cost data more than 10%, the reason for that variation is clearly stated.

Depreciation

Depreciation is the loss in value from the replacement cost of an improvement due to physical deterioration, functional obsolescence and economic obsolescence. Physical depreciation refers to the physical deterioration of a structure and is measured by the cost to cure the defect. Functional obsolescence refers to deficiencies or superadequacies within the structure. Economic obsolescence is loss in value from forces external to the property.

WCAD's residential depreciation tables are based on an age-life method of depreciation that uses effective age and economic life. Effective age is the age indicated by the condition and

utility of a structure. Effective age will not always be the same as actual age. Structures with better than average maintenance, remodeling or modernization will have an effective age less than the actual age. On the other hand, structures with poor maintenance that have not been remodeled or modernized will have an effective age greater than the actual age. Economic life is the period of time over which a structure contributes to property value. This concept can be stated as: effective age divided by economic life equals percent physical depreciation.

Schedules have been developed for improvements with typical economic lives of various lengths. The schedules reflect what is considered typical for a structure at a certain effective age. However, scheduled depreciation may be overridden with a percent good to account for the condition of otherwise similar structures that depreciate at lesser or more rapid rates than what is considered to be typical and that cannot be adequately accounted for in the benchmark depreciation system. Adjustments for functional and economic obsolescence may be made if warranted.

Market Area Adjustments

The district's primary approach to value for residential properties uses a hybrid cost-sales comparison approach that accounts for market area influences not otherwise specified in the cost approach as it is applied at large. Market area adjustments are needed to trend values produced by the cost approach closer to actual sales prices of property within a given market area. The sales used to determine the market area adjustment will reflect the market influences and conditions only for the specified market area.

Market area adjustments are made on the basis of sales to appraisal ratio studies that compare recent sales prices of properties within a delineated market area with the properties' value as determined by the cost approach. The ratios derived from dividing the appraisal district's cost approach values by the sales prices will indicate the level of appraisal currently produced by the at large cost approach. The appropriate market area adjustment, whether upward or downward, is then applied to trend the appraised values closer to actual market value as evidenced by the recent sales prices within the given area. Once the market area adjustment is applied, a second ratio study is conducted to compare the proposed appraised values with the recent sales prices. From this study, a final market area adjustment is selected and applied uniformly to all properties within the area including sold and unsold properties.

The following formula denotes the formula generally used for single family residential:

$$MV = LV + MAA[(RCN - D)]$$

Where:

MV	=	Market Value
LV	=	Land Value
MAA	=	Market Area Adjustment
RCN	=	Replacement Cost New
D	=	Depreciation

Market Adjustment Factor

If warranted, a market adjustment factor (MAF) may be applied to individual single family residential properties for characteristics that cannot be adequately accounted for in the benchmark valuation system.

Highest and Best Use Analysis

The highest and best use of property is the reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible, and maximally productive. The highest and best use of single family residential property is normally its current use.

Residential Homesteads Subject To The Homestead Cap

The appraised value of a residence homestead may not exceed the sum of :

I. The appraised value of the property for the last year in which the property was reappraised; plus

II. 10 percent of the value of the property for the last year in which the property was reappraised multiplied by the number of years since the property was last reappraised; plus

III. The appraised value of all new improvements to the property. A new improvement is considered as an improvement added to the appraisal roll after the appraisal of the property for the preceding year that increases the market value.

IV. The limitation takes effect on January 1 of the tax year following the first year the property owner qualifies for any homestead exemption and expires on January 1 of the first tax year that neither the owner nor the owner's spouse qualifies for a homestead exemption. When an owner makes application for a homestead exemption, the qualification year is entered into ORION.

V. The field appraiser maintains a record of the date of physical inspection, changes made based upon that inspection and determinations as to whether changes constitute new improvement value. Values for new physical additions and further progress of construction work in progress are calculated as new improvement value. Changes in value resulting from ordinary maintenance and remodeling are not considered as new improvements.

VI. After a joint desk review of these and other changes, such as changes resulting from revisions in schedules, a cap basis year (or year of last reappraisal) is established for each property and entered into ORION along with the cap basis homestead value(or the appraised of homesteadable components for that year). The 10% per year increase plus the value of any new improvements is added to establish a maximum homestead assessed value. If the proposed value for the

current year exceeds the maximum homestead assessed, then a homestead cap adjustment is calculated and applied to reduce the value to the allowable level.

MULTI-FAMILY RESIDENTIAL REAL PROPERTY

The plan calls for biennial reappraisal of multi-family residential properties with 2015 being a reappraisal year and 2016 being a non-reappraisal year.

Identifying properties to be appraised: Multi-family residential properties are identified as part of the appraiser's physical inspection process each year, through data submitted by the property owner, or by other reliable means of identification, including deeds or other legal documentation, photographs, maps and property sketches.

Identifying and updating relevant characteristics of each property in the appraisal records: The appraiser identifies and updates relevant characteristics through the inspection process. Subject property data is verified through previously existing records and through information provided by other reliable sources.

Defining market areas in the district: The appraiser identifies groups of properties where the social, economic, governmental, and physical forces affecting value are generally similar and uniform and delineates them into defined areas based on factors such as location, rent levels, age, quality and condition, square footage of units, and number of units. These market areas, or neighborhoods are shown in ATTACHMENT F of this body of work.

Identifying property characteristics that affect property value in each market area: The appraiser identifies the location and market area of the property; physical attributes of the property such as size, age, and condition; legal and economic attributes; and easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances or legal restrictions through physical inspection legal instruments and documents and analysis of data and information from other reliable sources.

Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: The district's primary approach to value for multi-family family residential properties is the income approach since these properties are purchased for their ability to produce income. Cost or market data may be considered if it is available and reliable.

Applying the conclusions reflected in the model to the characteristics of the properties being appraised: After considering all three approaches to value (cost, sales comparison, and income) the appraiser will reconcile multiple models by selecting the model that best addresses the individual characteristics of the subject property.

Reviewing the appraisal results to determine value: Year to year property value changes for the subject property are examined. Comparisons are conducted to determine if the level of appraisal and uniformity of appraisal is acceptable.

Description of Valuations Methods for Multi-Family Residential

The district's primary approach to value for multi-family residential properties is the income approach as shown in the following formula.

Where :

	PGI	PGI	=	potential gross income
S	V/C	V/C	=	vacancy/collection loss
=	EGR	EGR	=	effective gross rent
+	SI	SI	=	secondary income
=	EGI	EGI	=	effective gross income
S	OPEX	OPEX	=	operating expenses
=	NOI	NOI	=	net operating income
\	CR	CR	=	capitalization rate
=	MV	MV	=	market value

The cost approach may also be specified for multi-family property. Multi-family residential land values are specified by the sales comparison approach. An analysis of vacant sales is conducted and a series of land tables using front foot, square foot, per acre or per lot unit values are developed and assigned to specific market areas. Table driven values may be modified for shape, size, topography or other factors.

The approach establishes replacement cost new (RCN) using a comparative unit method --- cost per square foot of building area. Since there are insufficient sales of newly constructed multi-family properties to build a local modifier the Marshall & Swift modifier used for single family residential property is applied here. The final modified costs are set up in a series of cost schedules where properties are classified by quality of construction and type of construction. The scheduled costs may be overridden to account for atypical features or characteristics not adequately addressed by the benchmark cost system. In accordance with Sec. 23.011 Texas Property Tax Code, if the locally produced cost data varies from generally accepted cost data more than 10%, the reason for that variation is clearly stated.

Depreciation

WCAD's commercial depreciation is based on an age-life method of depreciation that uses effective age and economic life. Effective age is the age indicated by the condition and utility of a structure. Effective age will not always be the same as actual age. Structures with better than average maintenance, remodeling or modernization will have an effective age less than the actual age. On the other hand, structures with poor maintenance that have not been remodeled or modernized will have an effective age greater than the actual age.
Economic life is the period of time over which a structure contributes to property value. This concept can be stated as: effective age divided by economic life equals percent physical depreciation. A percent good is assigned based on observed condition and relative utility of the building. Adjustments for functional and economic obsolescence may be made if warranted .

Market Area Adjustments

The district's cost approach to value for multi-family residential properties uses a hybrid cost-sales comparison approach that accounts for market area influences not otherwise specified in the cost approach as it is applied at large. Market area adjustments are needed to trend values produced by the cost approach closer to actual sales prices of property within a given market area. The sales used to determine the market area adjustment will reflect the market influences and conditions only for the specified market area. Market area adjustments are made in the same manner as previously described in the section on single family residential properties.

The following formula denotes the cost approach formula generally used for multi- family residential:

$$MV = LV + MAA[(RCN - D)]$$

Where:

MV	=	Market Value
LV	=	Land Value
MAA	=	Market Area Adjustment
RCN	=	Replacement Cost New
D	=	Depreciation

Market Adjustment Factor

If warranted, a market adjustment factor (MAF) may be applied to multi- family properties for characteristics that cannot be adequately accounted for in the benchmark valuation system.

Highest and Best Use Analysis

The highest and best use of property is the reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible, and maximally productive. The highest and best use of multi-family residential property is normally its current use.

COMMERCIAL REAL PROPERTY

The plan calls for annual reappraisal of commercial real properties.

Identifying properties to be appraised: Commercial properties are identified as part of the appraiser's physical inspection process each year, through data submitted by the property owner, or by other reliable means of identification, including deeds or other legal documentation, photographs, maps and property sketches.

Identifying and updating relevant characteristics of each property in the appraisal records: The appraiser identifies and updates relevant characteristics through the inspection process. Subject property data is verified through previously existing records and through information provided by other reliable sources.

Defining market areas (neighborhoods) in the district: The appraiser identifies groups of properties where the social, economic, governmental, and physical forces affecting value are generally similar and uniform and delineates them into defined areas based on factors such as location, price range, use type, age, quality and condition of the building, and square footage. As in previous sections these neighborhoods are shown in ATTACHMENT F of this body of work.

Identifying property characteristics that affect property value in each market area: The appraiser identifies the location and market area of the property; physical attributes of the property such as size, age, and condition; legal and economic attributes; and easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions through physical inspection legal instruments and documents and analysis of data and information from other reliable sources.

Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: The district's primary approach to value for commercial properties is the cost approach with the income approach being used for those properties considered to be income producing properties.

Applying the conclusions reflected in the model to the characteristics of the properties being appraised: After considering all three approaches to value (cost, sales comparison, and income) the appraiser will reconcile multiple models by selecting the model that best addresses the individual characteristics of the subject property.

Reviewing the appraisal results to determine value: Year to year property value changes for the subject property are examined. Sales ratio studies are conducted to determine if the level of appraisal and uniformity of appraisal is acceptable. Additionally, commercial properties are reviewed by the Property Tax Division of the State Comptroller's Office through their annual property value study.

Description of valuation methods for commercial property

The cost approach is specified for commercial property. An analysis of commercial lot sales is conducted and a series of land tables using front foot, square foot, per acre or per lot unit values are developed and assigned to specific market areas. Table driven values may be modified for shape, size, topography or other factors.

The approach establishes replacement cost new (RCN) using a comparative unit method --- cost per square foot of building area. Since there are insufficient sales of newly constructed commercial properties to build a local modifier the Marshall & Swift modifier used for residential property is applied here. For commercial properties, improvements are classified by the following since there is a different market for each group: (1) Use types for which they were designed such as office and retail. (2) Construction types which refer particularly to the materials used in the exterior walls and frame. (3) Quality of construction. The final modified costs are set up in a series of cost schedules where properties are classified by use type, quality of construction, and type of construction. In accordance with Sec. 23.011 Texas

Property Tax Code, if the locally produced cost data varies from generally accepted cost data more than 10%, the reason for that variation is clearly stated. The scheduled costs may be overridden to account for atypical features or characteristics not adequately addressed by the benchmark cost system.

Depreciation

WCAD's commercial depreciation is based on an age-life method of depreciation that uses effective age and economic life. Effective age is the age indicated by the condition and utility of a structure. Effective age will not always be the same as actual age. Structures with better than average maintenance, remodeling or modernization will have an effective age less than the actual age. On the other hand, structures with poor maintenance that have not been remodeled or modernized will have an effective age greater than the actual age. Economic life is the period of time over which a structure contributes to property value. This concept can be stated as: effective age divided by economic life equals percent physical depreciation. A percent good is assigned based on observed condition and relative utility of the building. Adjustments for functional and economic obsolescence may be made if warranted .

The cost approach for commercial properties may be specified as follows:

$$MV = LV + MAA[(RCN - D)]$$

Where:

MV	=	Market Value
LV	=	Land Value
MAA	=	Market Area Adjustment
RCN	=	Replacement Cost New
D	=	Depreciation

The income approach is applied to those commercial properties which are viewed by buyers and sellers as income producing properties: multi-tenant office buildings, motels, etc.

Where:

PGI		PGI	=	potential gross income
S	V/C	V/C	=	vacancy/collection loss
=	EGR	EGR	=	effective gross rent
+	SI	SI	=	secondary income
=	EGI	EGI	=	effective gross income
S	OPEX	OPEX	=	operating expenses
=	NOI	NOI	=	net operating income
\	CR	CR	=	capitalization rate
=	MV	MV	=	market value

Market Adjustment Factor

If warranted a market adjustment factor (MAF) may be applied to commercial properties for characteristics that cannot be adequately accounted for in the benchmark valuation system.

Highest and Best Use Analysis

The highest and best use of property is the reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible, and maximally productive. The highest and best use of commercial real property is normally its current use.

VACANT REAL PROPERTY

The plan calls for biennial reappraisal of vacant real properties with 2015 being a reappraisal year and 2016 being a non-reappraisal year.

Identifying properties to be appraised: Vacant real properties are identified as part of the appraiser's physical inspection process each year, through data submitted by the property owner, or by other reliable means of identification, including deeds or other legal documentation, photographs, maps and property sketches.

Identifying and updating relevant characteristics of each property in the appraisal records: The appraiser identifies and updates relevant characteristics through the inspection process. Subject property data is verified through previously existing records and through information provided by other reliable sources.

Defining market areas in the district: The diversity of vacant real properties in the district requires the use of market areas. The appraiser identifies groups of properties where the social, economic, governmental, and physical forces affecting value are generally similar and uniform and delineates them into defined areas based on factors such as location, size, physical characteristics, and use.

Identifying property characteristics that affect property value in each market area: The appraiser identifies the location and market area of the property; physical attributes of the property such as size, location, physical characteristics; legal and economic attributes; and easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions through physical inspection legal instruments and documents and analysis of data and information from other reliable sources.

Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: The district's primary approach to value for vacant real properties is the sales comparison approach because it most directly reflects the actions of the buyers and sellers in the market.

Applying the conclusions reflected in the model to the characteristics of the properties being appraised: After considering all three approaches to value (cost, sales comparison, and income) the sales comparison approach is used. The income approach is not used because this type of

property does not have adequate income producing ability to attract buyers and the cost approach is not applicable since the properties are vacant.

Reviewing the appraisal results to determine value: Year to year property value changes for the subject property are examined. Sales ratio studies are conducted to determine if the level of appraisal and uniformity of appraisal is acceptable. Additionally, vacant real properties are reviewed by the Property Tax Division of the State Comptroller's Office through their biennial property value study.

Description of Valuations Methods Used for Vacant Real Property

Land models are specified by the sales comparison method. An analysis of vacant real property sales is conducted and a series of land tables using front foot, square foot, per acre or per lot unit values are developed and assigned specific market area adjustments. Properties are classified according to the following: (1) Location (2) Physical characteristics and (3) Size. Table driven values may be modified for shape, size, topography or other factors not adequately accounted for by the benchmark appraisal system. If warranted, a market adjustment factor (MAF) may be applied to vacant real properties for characteristics that cannot be adequately accounted for in the benchmark valuation system.

The highest and best use of property is the reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible, and maximally productive. The highest and best use of vacant lots and small acreage tracts is for homesites. The highest and best uses of larger acreage tracts are for (1) agricultural use (2) recreational use (3) interim use as farm and ranch land with a future highest and best use of being subdivided into smaller tracts for sale and (4) rural homesites. The highest and best use for a relatively small number of vacant lots and small acreages is commercial.

SPECIAL VALUATION PROPERTIES

The plan calls for the reappraisal of special valuations properties on an annual basis.

Identifying properties to be appraised: Special valuation properties are identified as part of the appraiser's physical inspection process each year, through data submitted by the property owner on applications for special use valuation , or by other reliable means of identification, including deeds or other legal documentation, photographs, maps and property sketches.

Identifying and updating relevant characteristics of each property in the appraisal records: The appraiser identifies and updates relevant characteristics through the inspection process. Subject property data is verified through previously existing records and through information provided by other reliable sources.

Defining market areas in the district: Market areas for special use properties are regional in scope; therefore, no separate market areas are defined for this type of property.

Identifying property characteristics that affect property value in each market area: The appraiser identifies the location and market area of the property; and physical attributes such as the different categories of land and the number of acres in each category.

Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: The district's approaches to value for special use properties are the income approaches specified in Sec. 23 Texas Property Tax Code.

Applying the conclusions reflected in the model to the characteristics of the properties being appraised: Since the income approaches to special use properties are required by statute, no other methods were considered or used.

Reviewing the appraisal results to determine value: Year to year property value changes for the subject property are examined. Additionally, special use valuation properties are reviewed by the Property Tax Division of the State Comptroller's Office through their biennial property value study.

Description of Valuation Methods for Special Valuation Properties

Special valuation properties include the following categories: agricultural land, timber land and restricted timberland. Special use valuation properties must meet the qualifications set forth in Sec. 23 Texas Property Tax Code in order to receive special use valuation. All special use properties are also appraised at market value according to the methodology described in the foregoing section of valuation of vacant real property. Special use valuation properties are re-inspected every other year. The re-inspection areas for tax years 2015 and 2016 are indicated on the re-inspection map that is attached to this plan being the same zone map as the residential and rural reappraisal map. (Attachment G.)

AGRICULTURAL LAND

Agricultural land is valued in accordance with Sec. 23 Texas Property Tax Code. Land is classified into categories such as native pasture and improved pasture. The categories may be further divided based on factors that influence the productive capacity of the category. For each category, a net-to-land is determined. Net to land means the average annual net income derived from the use of open space land that would have been earned from the land during the five year period preceding the year before the appraisal by an owner using ordinary prudence in the management of the land and the farm crops or livestock produced or supported on the land and, in addition, any income received from hunting or recreational leases. The net-to-land is calculated by considering the income that would be due the landowner under a cash lease (which is the typical lease arrangement for all categories of agricultural land in the area) and all expenses directly attributable to the agricultural use of the land. The net income remaining after expenses are deducted from gross income is then capitalized at the capitalization rate specified in Sec. 23.53 to arrive at the productivity value. Cash leases are based on the results of an ongoing cash lease survey conducted by the district. Expenses include: property taxes, fencing expenses, and management expenses. Property taxes are determined by the actual taxes

levied by the county's taxing units on agricultural land. Fencing expenses are based on Marshall & Swift costs and the most current agricultural census data available. Management costs are those costs incurred in the supervision and monitoring of the lease arrangement.

The model for agricultural land may be shown as follows:

Year 1	**Year2**	**Year3**	**Year 4**	**Year 5**
GL	GL	GL	GL	GL
+HL	+HL	+HL	+HL	+HL
=GI	=GI	=GI	=GI	=GI
Less:	Less:	Less:	Less:	Less:
PT	PT	PT	PT	PT
FE	FE	FE	FE	FE
ME	ME	ME	ME	ME
=NTL	=NTL	=NTL	=NTL	=NTL
Then:				
(NTL Year 1 + NTL Year 2+NTLYear3+NTL Year 4 +NTL Year 5) / CR = PV				

Where:

GL = Grazing Lease
HL = Hunting Lease
GI = Gross Income
PT = Property Taxes
FE = Fencing expense
ME = Management Expense
NTL = Net to land
CR = Capitalization rate
PV = Productivity value

SPECIAL INVENTORY RESIDENTIAL

The plan calls for annual re-appraisal of special inventory residential properties.

Identifying properties to be appraised: Special inventory residential properties are identified as part of the appraiser's physical inspection process each year, through data submitted by the property owner, or by other reliable means of identification, including deeds or other legal documentation, photographs, maps and property sketches.

Identifying and updating relevant characteristics of each property in the appraisal records: The appraiser identifies and updates relevant characteristics through the inspection process. Subject

property data is verified through previously existing records and through information provided by other reliable sources.

Defining market areas in the district: The appraiser identifies groups of properties where the social, economic, governmental, and physical forces affecting value are generally similar and uniform and delineates them into defined areas based on factors such as price range and lot size.

Identifying property characteristics that affect property value in each market area: The appraiser identifies the location and market area of the property; physical attributes of the property such as size and location; legal and economic attributes; and easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions through physical inspection legal instruments and documents and analysis of data and information from other reliable sources.

Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: The district' s primary approach to value for special inventory residential properties uses the discounted cash flow method of the income approach since these properties are purchased for their ability to produce income.

Applying the conclusions reflected in the model to the characteristics of the properties being appraised: After considering all three approaches to value (cost, sales comparison, and income) the appraiser will reconcile multiple models by selecting the model that best addresses the individual characteristics of the subject property.

Reviewing the appraisal results to determine value: Year to year property value changes for the subject property are examined. Periodic reviews of values by other appraisers are also employed.

Description of Valuation Methods for Special Inventory Residential Property

The district uses the discounted cash flow method of the income approach to determine the values for residential inventory properties. Since there are generally insufficient sales of residential inventories, the sales comparison approach is not used. If reliable and accurate cost data is available, the cost approach may be used.

The following outlines the income approach to residential inventory:

(1) Project the number of years which will be required to sell all of the lots and the number of lots which will be sold each year during that period.

(2) For each year, estimate the sales prices of the lots that will be sold and multiply the estimated sales price by the projected number of lots that will be sold to arrive at a gross income.

(3) For each year, estimate the taxes, management costs and sales expenses.

(4) Deduct the total expenses from the gross income to arrive at a net income.

(5) Apply an appropriate discount rate to the stream of projected net incomes to arrive at market value.

Highest and Best Use Analysis

The highest and best use of property is the reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible, and maximally productive. The highest and best use of special inventory residential property is normally its current use.

BUSINESS PERSONAL PROPERTY

The plan calls for annual re appraisal of business personal property.

Identifying properties to be appraised: Business personal property assets are identified as part of the appraiser's physical inspection process each year, through renditions or other data filed by property owners or by other reliable public and private means of identification including, but not limited to the previous year's appraisal roll, vehicles listing services, and business directories.

Identifying and updating relevant characteristics of each property in the appraisal records: The appraiser identifies and updates relevant characteristics through the inspection process and through information provided by the owner in renditions or other reports. Subject property data is verified through previously existing records, public records, service provided records, and through information provided by other reliable sources.

Defining market areas in the district: Market areas for business personal property tend to be regional in scope; therefore no separate market areas are established for this type of property in the district.

Identifying property characteristics that affect property value in each market area: The appraiser identifies the location and market area of the property; physical attributes of the property such as age, and condition, and use type

Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: The district's primary approach to value for business personal property uses a cost approach.

Applying the conclusions reflected in the model to the characteristics of the properties being appraised: After considering all three approaches to value (cost, sales comparison, and income) the cost approach is selected. The sales comparison approach and income approach are not used due to inadequate data.

Reviewing the appraisal results to determine value: Year to year property value changes for the subject property are examined. Reviews are conducted to determine if the level of appraisal

and uniformity of appraisal is acceptable. Additionally, business personal property is reviewed by the Property Tax Division of the State Comptroller's Office through their biennial property value study.

Description of Valuation Methods for Business Personal Property

The district's primary approach to the valuation of business personal property is the cost approach. The replacement cost new (RCN) is generally developed from information that the property owner furnishes to the district by filing renditions or other reports. If the cost information is not provided by the owner, the cost is estimated using costs reported for similar assets, the Comptroller's latest available business personal property cost schedules, published cost schedules or other generally accepted sources of costs data. Costs may be expressed on a comparative unit basis (per square foot). Costs may also be expressed in terms of individual assets where a comparative unit basis is not applicable.

The district uses index factors, based on generally accepted published sources, to trend historical costs. Percent good depreciation factors are also based on generally accepted sources. The index factors and percent good factors are used to develop a present value factor (PVF) by year of acquisition as follows: PVF = Index Factor X Percent Good Factor. The PVF is then applied to historical cost as follows: Historical Cost X PVF = Market Value.

A depreciation override may be applied to all types of property if the condition or effective age of a property cannot be adequately accounted for in the benchmark depreciation system. Also, adjustments for functional and economic obsolescence may be made if warranted.

Business personal property is generally classified according to use types or standard industrial codes (SIC) to identify businesses having common attributes such as convenience stores, auto parts stores, etc. Then the property is grouped into two principal categories: (1) furniture, fixtures and equipment (FFE) and (2) inventory. If the square foot method is used, then these categories are then considered in terms of density and quality levels.

Vehicle values are based on values provided by an outside vendor and property owner rendition information.

Inventory values are based on property owner reported data or other data reported for similar businesses. Additionally, other generally accepted sources of published data may be used.

Business personal property defined as "special inventory" is appraised in accordance with the statutory requirements of Sec. 23 Texas Property Tax Code.

The highest and best use of property is the reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible, and maximally productive. The highest and best use of business personal property is generally its current use.

INDUSTRIAL PROPERTY

The plans calls for annual reappraisal of industrial real properties through professional services contract with a valuation engineering firm, Thomas Y. Pickett & Company, Inc. This engineering firm has provided the reappraisal plan for these properties. This is shown in ATTACHMENT B of this body of work.

INDUSTRIAL PERSONAL PROPERTY

The plan calls for annual reappraisal of utility properties through professional services contract with a valuation engineering firm, Thomas Y. Pickett & Co,, Inc. This engineering firm has provided the reappraisal plan for these properties. This is shown in ATTACHMENT B of this body of work.

UTILITIES

The plan calls for annual reappraisal of utility properties through professional services contract with a valuation engineering firm, Thomas Y. Pickett & Co., Inc. This engineering firm has provided the reappraisal plan for these properties. This is shown in ATTACHMENT C of this body of work.

MINERAL INTERESTS

The plan calls for annual reappraisal of mineral interests through professional services contract with a valuation engineering firm, Thomas Y. Pickett & Company, Inc. This engineering firm has provided the reappraisal plan for these properties. This is shown in ATTACHMENT A of this body of work.

THE MASS APPRAISAL REPORT

The property tax code requires that the chief appraiser prepare, certify and submit the mass appraisal report for the appraisal district in compliance with STANDARD RULE 6-8 of the Uniform Standards of Professional Appraisal Practice. This written reappraisal plan is attached to the Mass Appraisal Report by reference.

VALUE DEFENSE -OVERVIEW

Sec.41.43 Texas Property Tax code places the burden of proof on the appraisal district in protests regarding over - appraisal of property and unequal appraisal of property. Evidence to

be used by the appraisal district to meet its burden of proof for market value and equity in formal appraisal review board hearings is specified and tested. A number of value defense issues apply to all property types. Regardless of the nature of the protests or the type of property, the district attempts to informally resolve all protests before they are scheduled for an appraisal review board hearing.

Informal hearings are seen as an opportunity to accomplish the following objectives:

(1) To correct simple errors and insure that the appraisal records are correct
(2) To insure that the appraisal takes into account all pertinent factors
(3) To identify specific issues the owner is concerned about
(4) To ascertain the owner's opinion of property value
(5) To increase the owner's understanding of assessment administration

For formal hearings, the district follows the rules and procedures adopted by the Appraisal Review Board. In formal hearings on all property types, the district assigns the most qualified and knowledgeable staff member available to represent the district in the hearings. For all property types, the validity of the appraisal model and the final value resulting from the model are reviewed and verified. All evidence is reviewed and verified for accuracy and completeness before it is presented to the board. All evidence presented by appraisal district staff members in formal hearings is presented under oath. The district makes available all information required by Sec. 41.461 if requested by the property owner.

The district uses a data processing application to manage administration of appeals. The system tracks informal and formal appeals, scheduling of appeals for hearings, and final disposition of appeals. Statistical records of appeal activity are maintained for budgeting and planning purposes.

The district's defense of unequal appraisal on all property types in formal hearings is done in accordance with Sec. 41.43 (b) Texas Property Tax Code. In unequal appraisal cases the district presents at least one of the following forms of evidence (depending on which one is most appropriate for the property): evidence establishing that (1) the appraisal ratio of the property is equal to or less than the median level of appraisal of a reasonable and representative sample of other properties in the appraisal district; (2) the appraisal ratio of the property is equal to or less than the median level of appraisal of a sample of properties in the appraisal district consisting of a reasonable number of other properties similarly situated to, or of the same general kind or character as the property subject to the protest; or (3) the appraised value of the property is equal to or less than the median appraised value of a reasonable number of comparable properties appropriately adjusted. The most appropriate form of unequal appraisal evidence is chosen depending on data availability and characteristics of the property being appealed.

Value Defense Single Family Residential

The informal value defense on a single family residential property relies upon a general explanation of the appraisal and the approach to value that is used. More detailed explanations of the variables used in the model may also be conducted. Typically, the reasons for a change

in appraised values involve changing sales prices in the market, application of a market area modifier, addition of new construction, completion of partially complete structures, or reappraisal because the previous year's value was inaccurate or unequal. The district's appraisal record, commonly known as the appraisal card, is typically used. Also, a comparable sales analysis as well as other pertinent data may be used. For unequal appraisal protests the following may be used: a comparison of total values for similar properties, a comparison of per square foot values for similar properties, or a sales ratio study.

At the formal hearing, the district states its opinion of market value and supports its opinion of value with an explanation and justification of the appraisal model, the approach to value, and the data variables used in the model. Typically, the following evidence is also presented: appraisal card, a photograph of the residence (if available), a locational description, a comparable sales analysis, and any other pertinent data. In unequal appraisal cases the district presents at least one of the aforementioned forms of evidence required by Sec. 41.43 (b) depending on which one is most appropriate in view of data availability and characteristics of the property being appealed. Generally, if a recent sale or independent appraisal of the subject property is available, the district conducts a sales ratio study using a sample of other properties or similar properties. Otherwise, the district presents a sample comparison of one of the following : (1) total property value (2) total homesteadable improvement value (3) per square foot property value based on living area or (4) per square foot property value for homesteadable improvement value for properties comparable in terms of size, quality of construction, age and condition, appropriately adjusted.

Value Defense Multi-Family Residential

The informal value defense on a multi-family residential property relies upon a general explanation of the appraisal and the approach to value that is used. More detailed explanations of the variables used in the model may also be conducted. Typically changes in valuations of multi-family properties occur because of changes in rents expenses and/or capitalization rates. The district's income approach to value is generally used as evidence in the informal hearing. For unequal appraisal protests the following may be used: a comparison of total values for similar properties, a comparison of per square foot values for similar properties, or a comparison of per unit values.

At the formal hearing, the district states its opinion of market value and supports its opinion of value with an explanation and justification of the appraisal model, the approach to value, and the data variables used in the model. Typically, the following evidence is also presented: appraisal card, a locational description, detailed income approach and any other pertinent data. In unequal appraisal cases the district presents at least one of the aforementioned forms of evidence required by Sec. 41.43 (b) depending on which one is most appropriate in view of data availability and characteristics of the property being appealed. Generally, there are insufficient numbers of sales for the district to conduct a sales ratio study. Typically, the district presents a sample comparison of one of the following: (1) total property value (2) total improvement value (3) per square foot property value based on living area (4) per square foot property value for improvement value or (5) Per unit values for properties comparable in terms of size, quality of construction, age and condition, rent levels, and size of units appropriately adjusted.

Value Defense Commercial

The informal value defense on a commercial property relies upon a general explanation of the appraisal and the approach to value that is used. More detailed explanations of the variables used in the model may also be conducted. Typically changes in value occur because of reappraisal based on increasing sales prices; application of a market area modifier, addition of new construction, completion of partially complete structures, or reappraisal because the previous year's value was inaccurate or unequal. For income properties changes in rents, expenses and/or capitalization rates are also explained. The district's appraisal record, commonly known as the appraisal card, is typically used. Also, a comparable sales analysis or the district's income approach and other pertinent data may be used. . For unequal appraisal protests the following may be used: a comparison of total values for similar properties, a comparison of per square foot values for similar properties, or a sales ratio study.

At the formal hearing, the district states its opinion of market value and supports its opinion of value with an explanation and justification of the appraisal model, the approach to value, and the data variables used in the model . Typically, the following evidence is also presented: appraisal card, a locational description, detailed income approach and any other pertinent data. In unequal appraisal cases the district presents at least one of the aforementioned forms of evidence required by Sec. 41.43 (b) depending on which one is most appropriate in view of data availability and characteristics of the property being appealed. Generally, if a recent sale or independent appraisal of the subject property is available, the district conducts a sales ratio study using a sample of other properties or similar properties. Otherwise, the district presents a sample comparison of one of the following : (1) total property value (2) total improvement value (3) per square foot property value based on building area or (4) per square foot property value for improvement value for properties comparable in terms of size, quality of construction, age and condition, and use type appropriately adjusted.

Value Defense for Vacant Real Property

The informal value defense on vacant real property relies upon a general explanation of the appraisal and the approach to value that is used. Typically, changes in valuation of real vacant property involve changes in sales price or market areas. A general analysis of the district's comparable sales data is also used. The district's appraisal card and other pertinent information is used for unequal appraisal protests the following may be used: a comparison of total values for similar properties, a comparison of per unit values for similar properties, or a sales ratio study.

At the formal hearing, the district states its opinion of market value and supports its opinion of value with an explanation and justification of the appraisal model, the approach to value, and the data variables used in the model at the formal hearing, the appraisal card and a comparable sales analysis are most commonly presented as evidence in market value cases. In unequal appraisal cases the district presents at least one of the aforementioned forms of evidence required by Sec. 41.43 (b) depending on which one is most appropriate in view of data availability and characteristics of the property being appealed. Generally, if a recent sale or independent appraisal of the subject property is available, the district conducts a sales ratio study using a sample of other properties or similar properties. Otherwise, the district presents a

sample comparison of one of the following : (1) total property value or (2) property value per comparative unit----per acre, per square foot, per front foot, or per lot for properties comparable in terms of size, location, and physical characteristics, appropriately adjusted.

Value Defense for Special Valuation Properties

The informal value defense on special use valuation properties relies upon a general explanation of the appraisal process set forth by the statutes. A fact sheet outlining the process is presented along with pertinent income, expense and cap rate data. For unequal protests, a preliminary comparison of values for similar properties may be used.

At the formal hearing, the district states its opinion of market value and supports its opinion of value with an explanation and justification of the appraisal model, the approach to value, and the data variables used in the model. At the formal hearing, the appraisal card, detailed cost approach, and any other pertinent data are presented as evidence in market value cases. In unequal appraisal cases, pursuant to Sec. 41.43 (b), the district presents a per acre comparison of properties comparable in terms of land classes.

Value Defense Special Inventory Residential Property

The informal value defense on special inventory residential property generally relies upon a more detailed and complex explanation of the appraisal than other property types since these owners and their representatives are already knowledgeable about the appraisal process. The district's DCF analysis is reviewed with emphasis on lot prices, expenses, absorption rates, discount rates as well as any cost or market data or other pertinent information. For unequal protests, a preliminary comparison of values for similar properties may be used.

At the formal hearing, the district states its opinion of market value and supports its opinion of value with an explanation and justification of the DCF analysis as well as presenting any other pertinent information. In unequal appraisal cases the district presents at least one of the aforementioned forms of evidence required by Sec. 41.43 (b) depending on which one is most appropriate in view of data availability and characteristics of the property being appealed. Unequal comparisons are made on the basis of one of the following units: per lot, per acre, per sq ft, or per front ft.

Value Defense for Business Personal Property

The informal value defense on business personal property relies upon a general explanation of the appraisal and the approach to value that is used. More detailed explanations of the variables used in the model may also be conducted. The cost approach is reviewed as well as any market sales data and other pertinent information. Generally, the district's explanation will focus on issues concerning RCN and, the appropriate service life that should be assigned. For unequal protests, a preliminary comparison of values (in total or per square foot) for similar properties may be used.

At the formal hearing, the district states its opinion of market value and supports its opinion of value with an explanation and justification of the appraisal model, the approach to value, and

the data variables used in the model. The district's cost approach is presented as well as any other pertinent data. In unequal appraisal cases the district presents at least one of the aforementioned forms of evidence required by Sec. 41.43 (b) depending on which one is most appropriate in view of data availability and characteristics of the property being appealed. Typically, the district presents a comparison, on a per square foot basis, of properties comparable in terms of use, type, size, age, and condition appropriately adjusted.

Value Defense for Industrial Real Property

The informal value defense on industrial real property generally relies upon a more detailed and complex explanation of the appraisal than other property types since these owners and their representatives are already knowledgeable about the appraisal process. Typically, the district's review of the cost approach with the property owner focuses on items such as the appropriate service life and utilizations rates. Additionally any income or market data that is available is also presented if the income or sales comparison approach is applicable. For unequal protests, a comparison of values for similar properties may be used.

At the formal hearing, the district states its opinion of market value and supports its opinion of value with an explanation and justification of the appraisal model, the approach to value, and the data variables used in the model. The district's cost approach is presented as well as any other pertinent data. In unequal appraisal cases the district presents at least one of the aforementioned forms of evidence required by Sec. 41.43 (b) depending on which one is most appropriate in view of data availability and characteristics of the property being appealed.

Value Defense Industrial Personal Property

The informal value defense on industrial real property generally relies upon a more detailed and complex explanation of the appraisal than other property types since these owners and their representatives are already knowledgeable about the appraisal process. Typically, the district's review of the cost approach with the property owner focuses on items such as the appropriate service life and utilizations rates. Additionally any income or market data that is available is also presented if the income or sales comparison approach is applicable. For unequal protests, a comparison of values for similar properties may be used.

At the formal hearing, the district states its opinion of market value and supports its opinion of value with an explanation and justification of the appraisal model, the approach to value, and the data variables used in the model. The district's cost approach is presented as well as any other pertinent data. In unequal appraisal cases the district presents at least one of the aforementioned forms of evidence required by Sec. 41.43 (b) depending on which one is most appropriate in view of data availability and characteristics of the property being appealed.

Value Defense for Utilities

The informal value defense on utility properties generally relies upon a more detailed and complex explanation of the appraisal than other property types since these owners and their representatives are already knowledgeable about the appraisal process. The district's RCNLD

model and unit value model are reviewed along with any other pertinent data. For unequal protests, a comparison of values for similar properties may be used.

At the formal hearing, the district states its opinion of market value and supports its opinion of value with an explanation and justification of the appraisal model, the approach to value, and the data variables used in the model. The district's RCNLD or unit value model is presented. In unequal appraisal cases the district presents at least one of the aforementioned forms of evidence required by Sec. 41.43 (b) depending on which one is most appropriate in view of data availability and characteristics of the property being appealed.

Value Defense for Mineral Interests

The informal value defense on mineral interest typically relies upon a general explanation of the appraisal for royalty owners and a much more detailed and complex explanation of the appraisal for working interest owners who are already knowledgeable about the appraisal process. Through use of the district's discounted cash flow technique the appraiser explains how relevant characteristics of production volume and pattern, product prices, operating expenses and discount rate are brought together to appraise an oil and gas property. For unequal protests, a preliminary comparison of values for similar properties may be used.
At the formal hearing, the district states its opinion of market value and supports its opinion of value with an explanation and justification of the appraisal model, the approach to value, and the data variables used in the model. The district's income approach to value, commonly known as the decline curve analysis, along with other pertinent data is presented as evidence. In unequal appraisal cases the district presents at least one of the aforementioned forms of evidence required by Sec. 41.43 (b) depending on which one is most appropriate in view of data availability and characteristics of the property being appealed.

Attachment A:

Washington County Appraisal District

Oil and Gas Reserves
Appraisal Procedures and Reappraisal Plan

August 1, 2014

by

Thos. Y. Pickett & Company, Inc.

APPRAISAL PROCEDURES & REAPPRAISAL PLAN

OIL AND GAS RESERVES

Executive Summary

- Thos. Y. Pickett & Co., Inc. ("Thos. Y. Pickett" or "Pickett") annually reappraises all producing mineral leases within the CAD's boundaries using a Discounted Cash Flow ("DCF") methodology;
- Thos. Y. Pickett uses the Comptroller's Manual for Discounting Oil and Gas Income pursuant to Tax Code Section 23.175;
- Thos. Y. Pickett determines oil and gas prices in accordance with Tax Code Section 23.175;
- Thos. Y. Pickett's written procedures for identifying new properties are included herein.

Overview

Oil and gas reserves consists of interests in subsurface mineral rights. Thos. Y. Pickett & Co. is contracted to reappraise this type of property annually for the appraisal district. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

A. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
B. both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
C. both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

The appraisal results will be used as the tax base upon which a property tax will be levied. Each mineral interest is listed on the appraisal roll separately from other interests in the mineral in place in conformance with the Texas Property tax Code Sec. 25.12. A listing of the oil and gas

properties appraised by Pickett for the appraisal district shall be made available at the appraisal district office. Subsurface mineral rights are not susceptible to physical inspection. This condition creates the need to invoke the Departure Provision as required by the Standards Rule 6-7 (f) comment of the Uniform Standards of Professional Practice. However, the inability to physically examine the property does not affect the appraisal process or the quality of the results. The appraisal district is aware of this limiting condition and agrees that it is appropriate.

Documents relevant to an understanding of these appraisals include the confidential rendition, if any, filed with the appraisal district by the owner or agent of the property; the Texas Comptroller's Manual for Discounting Oil and Gas Income; other reports described in the Texas Property Tax Code; and other confidential data supplied by the owner or agent; the General Appraisal Manual adopted by the Texas Comptroller of Public Accounts; Property Assessment Valuation published by the International Association of Assessing Officers and adopted by the Texas Comptroller of Public Accounts and the Texas Property Tax Code.

Pickett's oil and gas appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Oil and gas appraisal staff stays abreast of current trends affecting oil and gas properties through review of published materials, attendance at conferences, course work and continuing education. All oil and gas appraisers are registered with the Texas Department of Licensing and Regulation, (formerly, the Texas Board of Tax Professional Examiners).

Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not inspect every property every year.

5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents have been obtained by members of Thos. Y. Pickett's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes.

Property Discover and Data Collection Process

Mineral properties are identified and appraised based on their Railroad Commission Identification Number (RRCID). Upon completion of a new well, a Completion Report must be submitted to the Railroad Commission (RRC). The RRC then issues a RRCID. Production from that property is reported by RRCID. Periodically, wells are completed and start producing prior to being issued a RRCID. The production from these wells still must be reported to the RRC and are usually reported by Drilling Permit Number (DP). Since mineral properties are appraised using a Discounted Cash Flow analysis, production data is required to do the analysis. The RRC is the primary source of that data.

Procedure:

1. At the beginning of the year, the RRC database is searched for new wells that started producing prior to January 1 of the appraisal year. These wells are identified by RRCID or Drilling Permit (DP) number and added to the mineral appraisal database for the county. A well is considered to have value as of January 1 if it has reported production prior to that date, has filed a completion report showing completion prior to that date, or was perforated into a producing formation which showed the presence of oil or gas prior to January 1.

2. Completion reports and plats are retrieved from the RRC to identify the location of the producing wells. These locations are cross-referenced with jurisdictional maps to establish situs.

3. Division of Interest (DOI) statements are requested from the operator of the well to establish working and royalty interests.

4. Additional reviews of the RRC database are done periodically during the year to identify any wells that may have been added to the RRC database after the first of the year, but were completed prior to January 1 of the appraisal year. New producing wells identified after the appraisal period are supplemented, going back up to five years.

Other appraisal data on the subject properties are collected from required regulatory reports from the Texas Railroad Commission and the Texas Comptroller of Public Accounts and by the property owner. Submitted data may be on a rendition form or in other modes that require confidentiality. Subject property data are verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports and through analysis of comparable properties, if any. Due to the unique nature of many oil and gas properties there is no standard data collection form or manual.

Valuation Approach and Analysis

The three generally accepted approaches used in determining the Market Value of assets are the cost, income, and market approaches. The following is a brief description of the three general approaches to value.

Cost Approach

The cost approach considers the replacement cost of an asset as an indicator of value. The cost approach is based on the assumption that a prudent investor would pay no more for an asset than the amount for which he could replace or recreate the asset. The cost approach is sometimes performed by estimating the replacement cost of an asset functionally similar to the subject. Often, historical cost data can be used to indicate the current cost of reproduction or replacement. Adjustments are made for physical deterioration and the functional and economic obsolescence of the appraised asset.

Income Approach

The income approach measures the present worth of anticipated future net cash flows generated by the subject assets. The net cash flows are forecast for an appropriate period, or capitalized in the case of a single period model, and then discounted to present value using an appropriate discount rate.

Market Approach

The market approach is performed by observing the price at assets comparable to the subject asset are bought and sold. Adjustments are made to the data to account for capacity differences and other relevant differences between the subject asset and the comparable assets.

Depending on the facts and circumstances of a particular appraisal, applying the three approaches independently of one another can yield conclusions that are substantially different. As the appraisal is performed, the strengths of the individual approaches are considered and the influence of each approach in the appraisal process is weighed according to its likely accuracy.

All oil and gas interest values are arrived at through an appraisal of the whole property. Each fractional interest is then assigned a value on the basis of its relative share of expenses, income and the value of the operating equipment. Multiple producing zones in the same well may be treated as separate properties.

Oil and gas properties are principally appraised through the income approach to value. Specifically, the discounted cash flow (DCF) technique is used almost exclusively. The almost exclusive reliance on income approach methods, adjusted for risk and market conditions, is typical of the oil and gas industry in dealings between buyers and sellers as well as in single-property appraisals. A mineral property's intrinsic value is derived from its ability to generate income by producing oil and/or gas reserves.

Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected revenue stream to reflect the individual characteristics of the subject property. The DCF model is also calibrated through the use of lease operating expenses that reflect the individual characteristics of the subject property.

A jurisdictional exception to the DCF model, as this process is described in the Statement on Appraisal Standards No. 2 of the Uniform Standards of Professional Appraisal Practice, must be taken. Section 23.175 (a) of the Texas Property Code specifies that the price of oil and gas used for the first year of the DCF analysis must be the monthly average price of the oil and gas received from the interest for the preceding year multiplied by a price adjustment factor which is calculated in accordance with Section 23.175(a). Furthermore, the prices used for succeeding years are based upon escalation factors also determined in accordance with Section 23.175(a).

Highest and best use analysis of the oil and gas reserves is based on the likelihood of the continued use of the reserves in their current use. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

Review and Testing

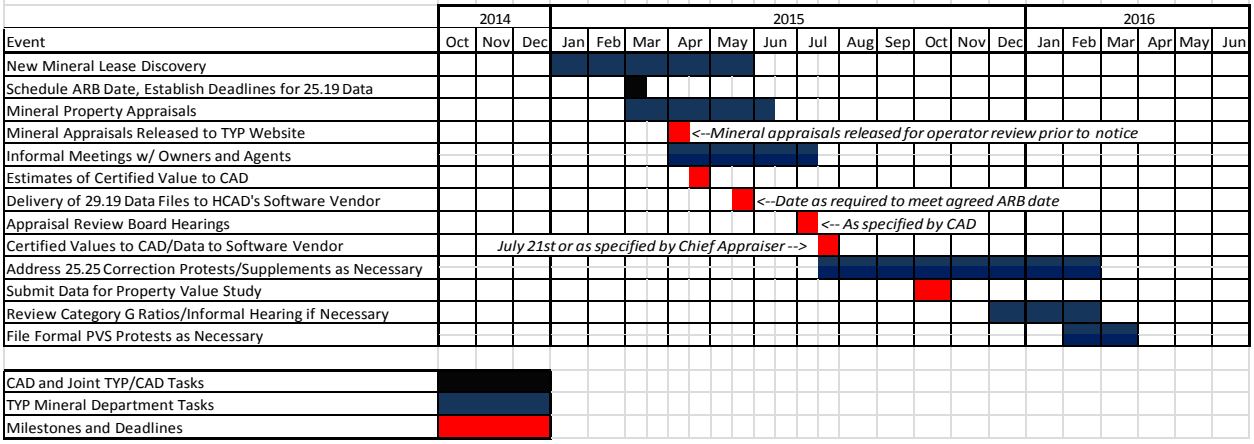
Review of appraisals is performed through a comparison of income indicators and compliance with Section 23.175 of the Texas Property Tax Code. A review of property values with respect

to year-to-year changes and with respect to industry-accepted income indicators is conducted annually. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process.

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent and often the sales conditions are not made public for the sales that do occur. Furthermore, market transactions normally occur for multiple sites and include real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Finally, Pickett's mineral appraisal methods and procedures are subject to review by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review, as well as comparisons with single-property appraisals, indicates the validity of the models and the calibration techniques employed.

Thos. Y. Pickett & Company, Inc.

Reappraisal Timeline 2015



Attachment B:

Washington County Appraisal District

Industrial Property
Appraisal Procedures and Reappraisal Plan

August 1, 2014

by

Thos. Y. Pickett & Company, Inc.

SUMMARY REVALUATION PROGRAM REPORT

INDUSTRIAL PROPERTY

Overview

Industrial property consists of processing facilities and related personal property. Thos. Y. Pickett & Co., Inc. ("Thos Y. Pickett" or "Pickett") is contracted to reappraise this type of property annually for the appraisal district. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

A. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
B. both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
C. both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

The effective date of the appraisals is January 1 of the year for which this report is submitted unless the property owner or agent has applied for and been granted September 1 inventory valuation as allowed by Section 23.12(f) of the Texas Property Tax Code.

The appraisal results will be used as the tax base upon which a property tax will be levied. The properties are appraised in fee simple in conformance with the Texas Property Tax Code Sec. 25.6. This is a jurisdictional exception to the Standards Rule 6-5 (c) Comment of the Uniform Standards of Professional Appraisal Practice. A listing of the industrial properties appraised by

Pickett for the appraisal district is available at the appraisal district office. Industrial properties are re-appraised annually. Properties are inspected annually where necessary and at least bi-annually.

Documents relevant to an understanding of these appraisals include the confidential rendition, if any, filed with the appraisal district by the owner or agent of the property; other reports described in the Texas Property Tax Code; asset lists and other confidential data supplied by the owner or agent; the General Appraisal Manual adopted by the Texas Comptroller of Public Accounts; Property Assessment Valuation published by the International Association of Assessing Officers and adopted by the Texas Comptroller of Public Accounts; and Engineering Valuation and Depreciation by Marston, Winfrey and Hempstead; and the Texas Property Tax Code.

Pickett's industrial appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Industrial appraisal staff stays abreast of current trends affecting industrial properties through review of published materials, attendance at conferences, course work and continuing education. All industrial appraisers are registered with the Texas Board of Tax Professional Examiners.

Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not necessarily inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents have been obtained by members of Thos. Y. Pickett's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes.

8. The appraisers have inspected as far as possible, by observation, the improvements being appraised; however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters unless specifically considered in an individual appraisal.

Discovery Process and Procedures

Data is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes that require confidentiality. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports and through analysis of comparable properties, if any. Due to the unique nature of many industrial properties there is no standard data collection form or manual.

Valuation Approach and Analysis

The three generally accepted approaches used in determining the Market Value of assets are the cost, income, and market approaches. The following is a brief description of the three general approaches to value.

Cost Approach

The cost approach considers the replacement cost of an asset as an indicator of value. The cost approach is based on the assumption that a prudent investor would pay no more for an asset than the amount for which he could replace or recreate the asset. The cost approach is sometimes performed by estimating the replacement cost of an asset functionally similar to the subject. Often, historical cost data can be used to indicate the current cost of reproduction or replacement. Adjustments are made for physical deterioration and the functional and economic obsolescence of the appraised asset.

Income Approach

The income approach measures the present worth of anticipated future net cash flows generated by the subject assets. The net cash flows are forecast for an appropriate period, or capitalized in the case of a single period model, and then discounted to present value using an appropriate discount rate.

Market Approach

The market approach is performed by observing the price at assets comparable to the subject asset are bought and sold. Adjustments are made to the data to account for capacity differences and other relevant differences between the subject asset and the comparable assets.

Depending on the facts and circumstances of a particular appraisal, applying the three approaches independently of one another can yield conclusions that are substantially different.

As the appraisal is performed, the strengths of the individual approaches are considered and the influence of each approach in the appraisal process is weighed according to its likely accuracy.

Industrial properties are generally appraised using replacement/reproduction cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information and comparable properties. Reproduction costs are based on actual investment in the subject or comparable properties adjusted for typical changes in cost over time. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if utilization and income data for the subject property justify such. Income Approach models (direct capitalization and discounted cash flow) are also used when economic and/or subject property income information is available. Capitalization and discount rates are based on published capital costs for the industry of the subject property. A market data model based on typical selling prices per unit of capacity is also used when appropriate market sales information is available.

Because cost information is the most readily available type of data, the cost approach model is almost always considered and used. If sufficient data is available, either or both of the other two models are considered and may be used. The market data and income approach models must be reduced by the value of the land in order to arrive at a value of improvements and personal property.

Model calibration in the cost approach involves the selection of the appropriate service life for each type or class of property. Further calibration can occur through the use of utilization or through-put data provided by the owner or agent. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the market data approach involves adjusting sales prices of comparable properties to reflect the individual characteristics of the subject property.

In reconciling multiple model results for a property, the appraiser considers the model results that best address the individual characteristics of the subject property while maintaining equalization among like properties. Final results for each property may be found on the appraisal district's appraisal roll.

Land valuation for industrial properties is the responsibility of appraisal district staff as is the highest and best use analysis of the site. Sites are analyzed for highest and best use as though they were vacant. Highest and best use analysis of the improvements is based on the likelihood

of the continued use of the improvements in their current and/or intended use. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Finally, Pickett's industrial appraisal methods and procedures are subject to review by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review, as well as comparisons with single-property appraisals, indicates the validity of the models and the calibration techniques employed.

Attachment C:

Washington County Appraisal District

Utilities Property
2015-16 Appraisal Procedures and Reappraisal Plan

August 1, 2014

by

Thos. Y. Pickett & Company, Inc.

APPRAISAL PROCEDURES AND REAPPRAISAL PLAN

UTILITY, RAILROAD AND PIPELINE PROPERTIES

Overview

Utility, railroad, and pipeline properties consists of operating property, excluding land, owned by utility, railroad and pipeline companies and related personal property and improvements. Thos. Y. Pickett & Co., Inc. ("Thos. Y. Pickett" or "Pickett") is contracted to reappraise this type of property annually for the appraisal district. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

A. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
B. both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
C. both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

The effective date of the appraisals is January 1 of the year for which this report is submitted.

The appraisal results will be used as the tax base upon which a property tax will be levied. The properties are appraised in fee simple in conformance with the Texas Property Tax Code Sec. 25.6. This is a jurisdictional exception to the Standards Rule 6-5 (c) Comment of the Uniform Standards of Professional Appraisal Practice 2004. A listing of the utility, railroad and pipeline properties appraised by Pickett for the appraisal district is available at the appraisal district office. All properties are reappraised annually. Such utility, railroad and pipeline properties that are susceptible to inspection (e.g. compressor stations, pump stations, buildings and power plants) are normally re-inspected at least every three years.

Pickett's utility, railroad and pipeline appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. The appraisal staff stays abreast of current trends affecting utility, railroad and pipeline properties through review of published materials, attendance at conferences, course work and continuing education. All appraisers are registered with the Texas Board of Tax Professional Examiners.

Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not necessarily inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents have been obtained by members of Thos. Y. Pickett's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes.
8. The appraisers have inspected as far as possible, by observation, the improvements being appraised; however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters unless specifically considered in an individual appraisal.

Discovery Procedures and Data Collection

Data is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes that require confidentiality. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports and through analysis of comparable properties. Due to the varied nature of utility, railroad and pipeline properties there is no standard data collection form or manual.

Valuation Approach and Analysis

The three generally accepted approaches used in determining the Market Value of assets are the cost, income, and market approaches. The following is a brief description of the three general approaches to value.

Cost Approach

The cost approach considers the replacement cost of an asset as an indicator of value. The cost approach is based on the assumption that a prudent investor would pay no more for an asset than the amount for which he could replace or recreate the asset. The cost approach is sometimes performed by estimating the replacement cost of an asset functionally similar to the subject. Often, historical cost data can be used to indicate the current cost of reproduction or replacement. Adjustments are made for physical deterioration and the functional and economic obsolescence of the appraised asset.

Income Approach

The income approach measures the present worth of anticipated future net cash flows generated by the subject assets. The net cash flows are forecast for an appropriate period, or capitalized in the case of a single period model, and then discounted to present value using an appropriate discount rate.

Market Approach

The market approach is performed by observing the price at assets comparable to the subject asset are bought and sold. Adjustments are made to the data to account for capacity differences and other relevant differences between the subject asset and the comparable assets.

Depending on the facts and circumstances of a particular appraisal, applying the three approaches independently of one another can yield conclusions that are substantially different. As the appraisal is performed, the strengths of the individual approaches are considered and the influence of each approach in the appraisal process is weighed according to its likely accuracy.

For all pipelines a value is calculated using a Replacement Cost New Less Depreciation (RCNLD) model. This involves first calculating the cost of building a new pipeline of equal utility using current prices. The Replacement Cost New (RCN) is a function of location, length, diameter and composition. Depreciation is then subtracted from RCN to produce the final value estimate. Depreciation is defined as the loss of value resulting from any cause. The three common forms of depreciation are physical, functional and economic. Physical depreciation is accounted for on the basis of the age of the subject pipeline. Functional and economic obsolescence (depreciation) can be estimated through the use of survivor curves or other normative techniques. Specific calculations to estimate abnormal functional and/or economic obsolescence can be made on the basis of the typical utilization of the subject pipeline.

After deductions from RCN have been made for all three forms of depreciation, the remainder is the RCNLD or cost approach model indicator of value.

In addition to the RCNLD indicator, a unit value model may also be used for those pipelines for which appropriate income statements and balance sheets are also available. Generally, this model is used for those pipelines that by regulation are considered to be common carriers. The unit value model must be calculated for the entire pipeline system.

The unit value model typically involves an income approach to value and a rate base cost approach. The income approach is based on a projection of expected future typical net operating income (NOI). The projected NOI is discounted to a present worth using a current cost of capital that is both typical of the industry and reflective of the risks inherent in the subject property. The unit value model cost approach is typically an estimation of the current rate base of the subject pipeline (total investment less book depreciation allowed under the current form of regulation). An additional calculation is made to detect and estimate economic obsolescence. Any economic obsolescence is deducted from the rate base cost less book depreciation to achieve a final cost indicator. The unit value model may also include a stock and debt approach in lieu of a market data approach. The stock and debt approach involves finding the total value of the owner's liabilities (equity and debt) and assuming that they are equal to the value of the assets. The two (or three, if the stock and debt approach is included) unit value indicators are then reconciled into a final unit appraisal model indicator of value. The unit value must then be reconciled with the RCNLD model indicator of value for the entire pipeline system being appraised. The final correlated value of the system can then be allocated among the various components of the system to determine the tax roll value for each pipeline segment.

Utility and railroad properties are appraised in a manner similar to pipeline except the RCNLD model is not used. For all three types of property (utility, railroad and pipeline) the appraiser must first form an opinion of highest and best use. If the highest and best use of the operating property is the current use under current regulation, the unit value model is considered highly appropriate. If the highest and best use is something different, then the RCNLD model may be more appropriate.

Compressor stations, pump stations, improvements and related facilities are appraised using a replacement cost new less depreciation model.

Model calibration in the RCNLD model involves the selection of the appropriate service life for each type or class of property. Further calibration can occur through the use of utilization or through-put data provided by the owner or agent. Model calibration in the unit value cost approach involves the selection of the appropriate items to include in the rate base calculation and selection of the best measure of obsolescence, if any. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the stock and debt approach involves allocating sales prices of debt and equity to reflect the contribution to value of the operating property of the subject property.

In reconciling multiple model results for a property, the appraiser considers the model results that best address the individual characteristics of the subject property while maintaining equalization among like properties. Final results for each property may be found on the appraisal district's appraisal roll.

Land valuation for utility and pipeline properties is the responsibility of appraisal district staff as is the highest and best use analysis of the site. Sites are analyzed for highest and best use as though they were vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use. Railroad corridor land is included in the appraisal of the operating property. The highest and best use of railroad corridor land is presumed to be as operating property. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

The rate-base cost approach, stock and debt approach and income approach models must be reduced by the value of the land in order to arrive at a value of improvements, personal property and other operating property.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an

experienced appraiser also contributes to the review process. A statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Appraisal results are tested annually by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review, as well as comparisons with single- property appraisals, indicates the validity of the models and the calibration techniques employ

Attachment D:

2014-2015 WCAD Budget

Washington County Appraisal District
2014-2015 Budget
Adopted
July 22, 2014

41 General Administration

6100 Payroll Costs		**2011-2012**	**2012-2013**	**2013-2014**	**2014-2015**
Professional Personnel	6119.00-952-0-99	$ 54,194.00	$ 55,794.00	$ 57,691	$ 58,845
Para Professional Personnel	6129.00-952-0-99	$ 335,025	$ 339,805	$ 367,563	$ 374,914
In District Travel	6139.00-952-0-99	$ 1,200	$ 1,200	$ 1,200	$ 1,200
FIMM Medicare	6141.00-952-0-99	$ 4,260	$ 37,228	$ 4,151	$ 4,471
Health Insurance	6142.00-952-0-99	$ 33,200		$ 26,335	$ 28,361
Workers Comp.	6143.00-952-0-99	$ 1,100		$ 509	$ 549
Unemployment Comp.	6145.00-952-0-99	$ 300		$ 300	$ 323
Teacher Retirement	6146.00-952-0-99	$ 2,200		$ 2,202	$ 2,371
New Staff Member			$ 35,000	$ -	$ 35,000
Payroll Costs		**$ 435,794**	**$ 469,027**	**$ 459,951**	**$ 506,034**

6200 Professional & Contracted Services		**2011-2012**	**2012-2013**	**2013-2014**	**2014-2015**
Legal Services	6211.00-952-0-99	$ 1,200	$ 1,200	$ 1,200	$ 1,200
Arbitration	6212.00.952-0-99	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Audit Services	6212.00-952-0-99	$ 5,500	$ 5,500	$ 5,700	$ 5,850
Tax Evaluation- T.Y. Pickett	6213.00-952-0-99	$ 48,700	$ 48,700	$ 48,700	$ 49,500
Data Processing Services	6218.00-952-0-99	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Appraisal Review Board	6219.00-952-0-99	$ 6,000	$ 6,000	$ 6,000	$ 6,000
Contracted Services- Software	6249.00-952-0-99	$ 42,100	$ 43,121	$ 44,797	$ 46,589
Equipment Repair	6249.01-952-0-99	$ 3,000	$ 1,500	$ 1,500	$ 1,500
Contracted Maintenance- MAP	6249.P2-952-0-99	$ 2,500	$ 5,383	$ 5,383	$ 11,300
Contracted Maintenance- Copier	6249.P5-952-0-99	$ 1,850	$ 1,850	$ 1,850	$ 2,400
Building Rental	6269.01-952-0-99	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Professional & Contracted Services		**$ 140,850**	**$ 143,254**	**$ 145,130**	**$ 154,339**

6300 Supplies & Materials		**2011-2012**	**2012-2013**	**2013-2014**	**2014-2015**
Vehicle Supplies	6311.00-952-0-99	$ 8,000	$ 8,000	$ 8,000	$ 8,000
Books & Magazines	6329.00-952-0-99	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Computer Supplies	6397.00-952-0-99	$ 4,000	$ 4,000	$ 4,000	$ 4,000
General Supplies	6399.00-952-0-99	$ 13,000	$ 13,000	$ 17,500	$ 17,500
Supplies & Materials		**$ 27,000**	**$ 27,000**	**$ 31,500**	**$ 31,500**

6400 Other Operating Costs		**2011-2012**	**2012-2013**	**2013-2014**	**2014-2015**
Travel	6411.00-952-0-99	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Insurance & Bonding Expenses	6429.00-952-0-99	$ 9,000	$ 9,000	$ 9,000	$ 9,000
Fees & Dues	6499.00-952-0-99	$ 5,500	$ 5,500	$ 5,500	$ 5,500
Misc. Expenses	6499.01-952-0-99	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Other Operating Costs		**$ 20,500**	**$ 20,500**	**$ 20,500**	**$ 20,500**

6500 Debt Service		**2011-2012**	**2012-2013**	**2013-2014**	**2014-2015**
Computer Note Payment	6512.00-952-0-99	$ -	$ -	$ -	$ -
Interest on Loan	6522.00-952-0-99	$ -	$ -	$ -	$ -
Debt Service		$ -	$ -	$ -	$ -

6600 Capital Outlay- Land, Buildings & Equip.		**2011-2012**	**2012-2013**	**2013-2014**	**2014-2015**
Vehicles	6631.00-952-0-99	$ -	$ -	$ -	$ -
Fixed Assets- >$5000	6638.00-952-0-99	$ -	$ -	$ -	$ -
Fixed Assets	6639.00-952-0-99	$ -	$ -	$ -	$ -
Fixed Assets- Unit<$5000	6649.00-952-0-99	$ 11,000	$ 11,000	$ 11,000	$ 11,000
Capital Outlay-Special Projects	6649.SP-952-0-99	$ -	$ -	$ -	$ -
Capital Outlay- Land, Buildings & Equip.		**$ 11,000**	**$ 11,000**	**$ 11,000**	**$ 11,000**

51 Plant Maintenance and Operations

6200 Professional & Contracted Services(51)		**2011-2012**	**2012-2013**	**2013-2014**	**2014-2015**
Servicemaster	6248.00-952-0-99	$ 5,500	$ 5,600	$ 5,600	$ 5,768
Water	6255.00-952-0-99	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Telephone	6256.00-952-0-99	$ 3,000	$ 3,000	$ 2,500	$ 2,500

Washington County Appraisal District
2014-2015 Budget
Adopted
July 22, 2014

Electricity	6257.00-952-0-99	$ 12,000	$ 12,000	$ 12,000	$ 12,000
Garbage & Sewer	6259.00-952-0-99	$ 1,200	$ 1,200	$ 1,700	$ 1,700
Natural Gas	6258.00-952-0-99	$ 750	$ 750	$ 750	$ 750
Professional & Contracted Services(51)		**$ 23,450**	**$ 23,550**	**$ 23,550**	**$ 23,718**

	Budget	2011-2012	2012-2013	2013-2014	2014-2015
Payroll Costs		$ 435,794	$ 469,027	$ 459,951	$ 506,034
Professional & Contracted Services (41)		$ 140,850	$ 143,254	$ 145,130	$ 154,339
Supplies & Materials		$ 27,000	$ 27,000	$ 31,500	$ 31,500
Other Operating Costs		$ 20,500	$ 20,500	$ 20,500	$ 20,500
Debt Service		$ -	$ -	$ -	$ -
Capital Outlay- Land, Buildings & Equip.		$ 11,000	$ 11,000	$ 11,000	$ 11,000
Professional & Contracted Services(51)		$ 23,450	$ 23,550	$ 23,550	$ 23,718
	Totals	**$ 658,594**	**$ 694,331**	**$ 691,631**	**$ 747,091**

Entity/ Appraisal Allocation	**2013 Levy**		**Entity Cost**
Brenham ISD	$ 24,738,752	49.28%	**$ 368,176**
Burton ISD	$ 4,600,129	9.16%	**$ 68,462**
City of Brenham	$ 6,093,396	12.14%	**$ 90,685**
City of Burton	$ 89,316	0.18%	**$ 1,329**
Oak Hill FWD	$ 111,262	0.22%	**$ 1,656**
Washington County General	$ 8,855,518	17.64%	**$ 131,793**
Washington County F&M	$ 3,828,156	7.63%	**$ 56,973**
Blinn College	$ 1,649,614	3.29%	**$ 24,550**
Giddings ISD	$ 232,945	0.46%	**$ 3,467**
	$ 50,199,088	100%	**$ 747,091**

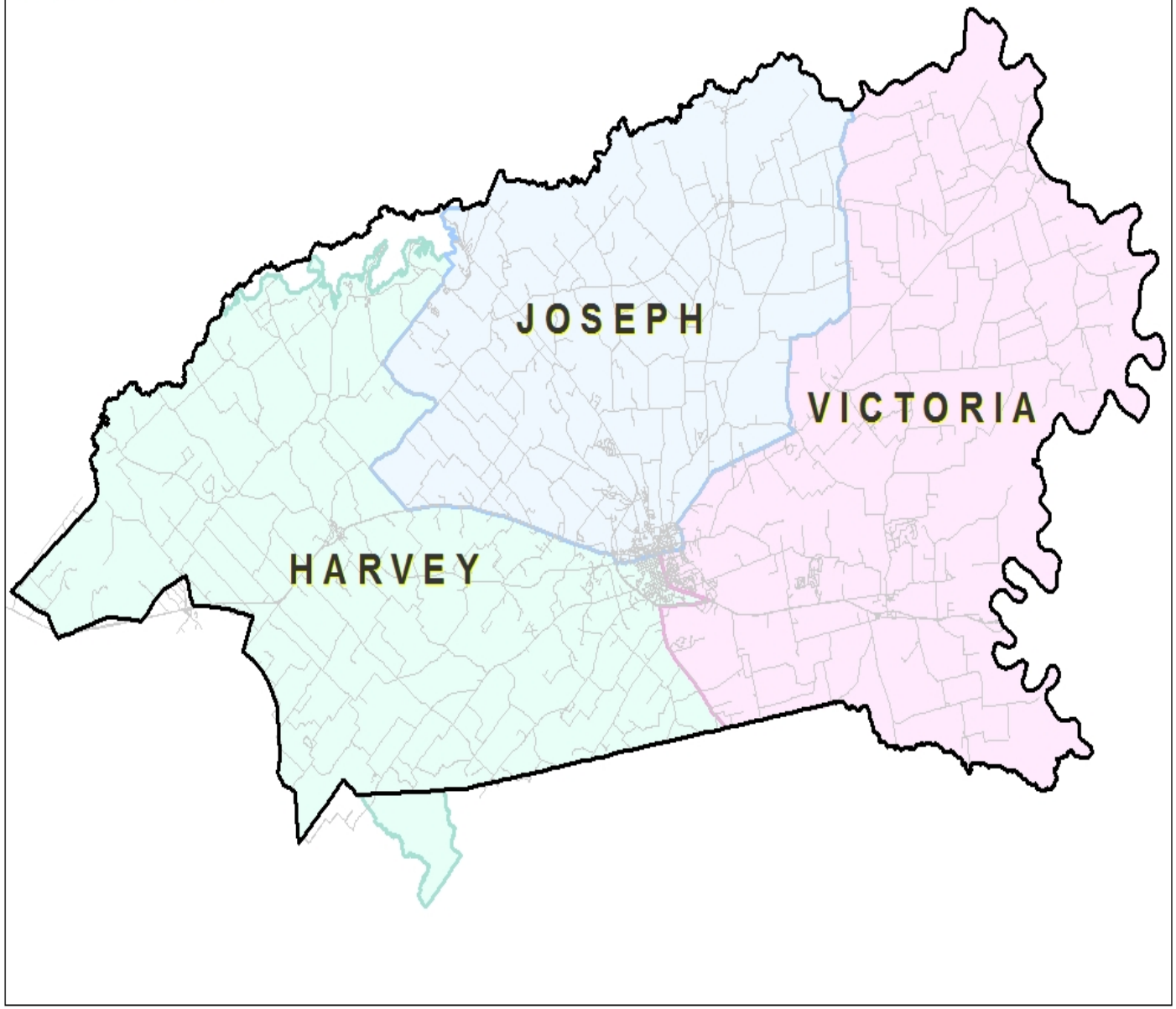
%Total= 2013 Levy/$50,199,088
Budget Allocation= % Total Levy x **$ 747,091**

Entity/ Appraisal Allocation	**2013 Cost**	**2014 Cost**	**Change**	
Brenham ISD	**$ 347,066**	**$ 368,176**	**$ 21,110**	
Burton ISD	**$ 64,208**	**$ 68,462**	**$ 4,254**	
City of Brenham	**$ 81,411**	**$ 90,685**	**$ 9,274**	
City of Burton	**$ 1,196**	**$ 1,329**	**$ 133**	
Oak Hill FWD	**$ 1,628**	**$ 1,656**	**$ 28**	
Washington County General	**$ 117,605**	**$ 131,793**	**$ 14,188**	
Washington County F&M	**$ 53,736**	**$ 56,973**	**$ 3,237**	
Blinn College	**$ 22,006**	**$ 24,550**	**$ 2,544**	
Giddings ISD	**$ 2,775**	**$ 3,467**	**$ 692**	**Increase**
			$ 55,460	**8.4210%**

Attachment E:

Appraiser Areas

Washington County Appraisal District
Appraiser Areas

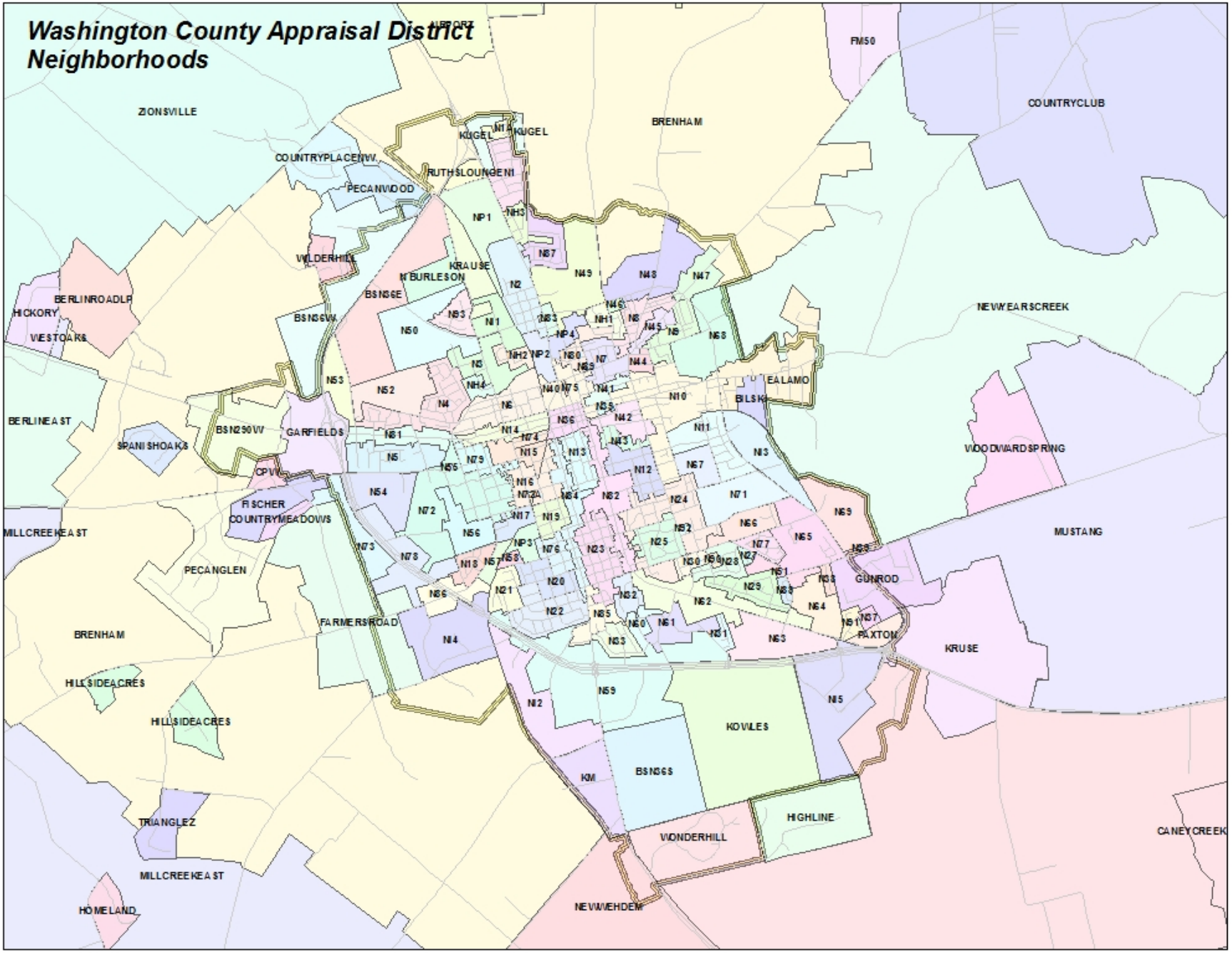


Attachment F:

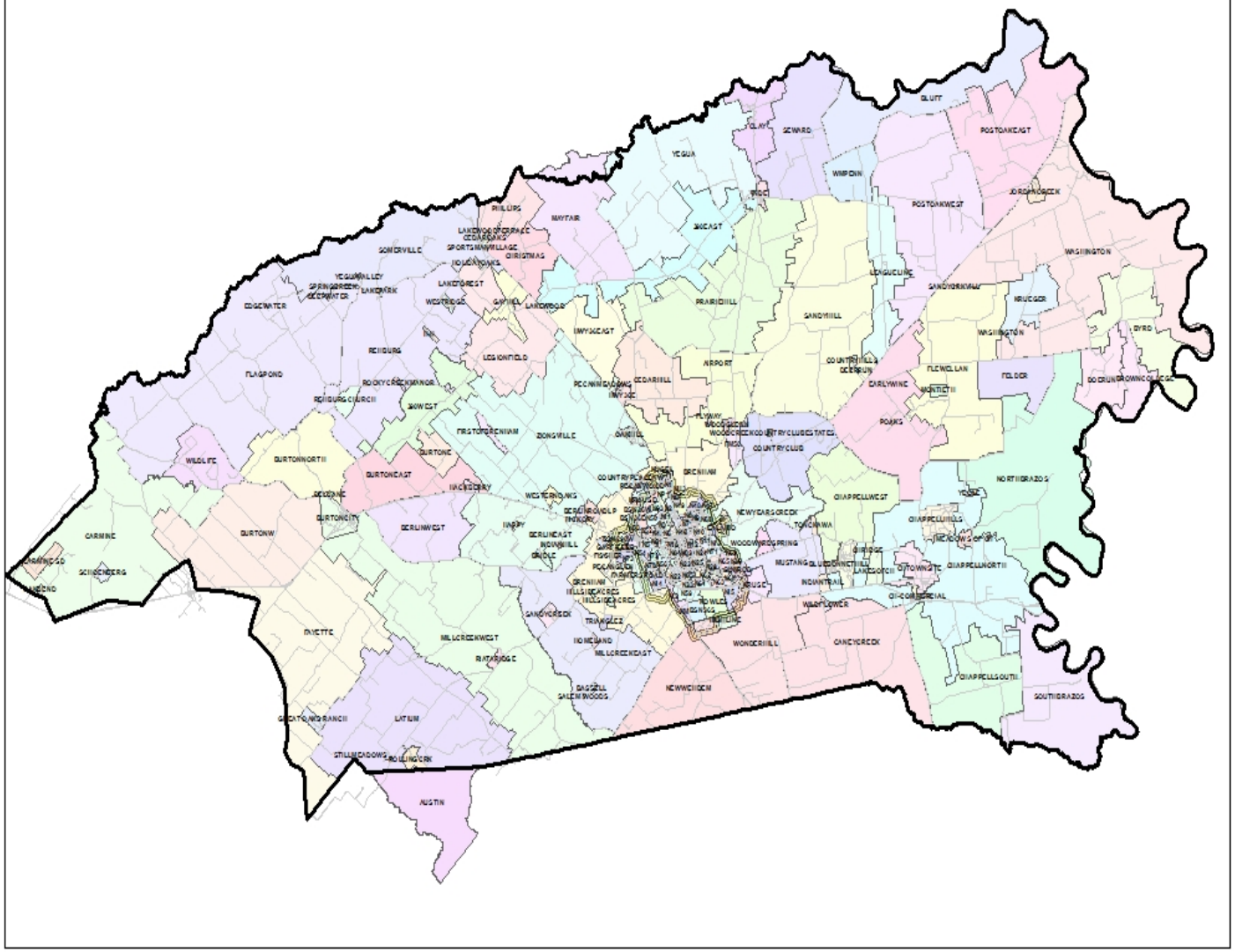
Market Areas
(Neighborhoods)

The Market Areas that are defined and used by the Washington County Appraisal District are delineated by Neighborhoods
Attached are small maps representing the City of Brenham and Washington County

These market areas can more clearly be seen on the mapping system of the Washington County Appraisal


Washington County Appraisal District
Neighborhoods
ZIONSVILLE
AIRPORT
FM50
COUNTRYCLUB
BRENHAM
KUGEL
KUGEL
COUNTRYPLACENW
RUTHSLOUNGENI
PECANWOOD
NP1
NH3
N87
WILDERHILL
KRAUSE
N BURLESON
N2
N49
N48
N47
BSN36E
BERLINROADLP
HICKORY
WESTOAKS
BSN36W
N50
N83
N1
NH1
N8
N45
N9
N68
NEWYEARSCREEK
NP4
NH2
NP2
N80
N7
N44
N5
N53
NH4
N52
N40
N75
N41
N10
EALAMO
BILSKI
N4
N6
N39
N42
BERLINEAST
BSN29OW
GARFIELDS
N81
N14
N74
N43
N11
SPANISHOAKS
N5
N15
N13
N12
N67
N13
WOODWARDSPRING
N55
N79
CPW
N16
N54
N72A
N84
N82
N24
N71
FISCHER
COUNTRYMEADOWS
N72
N17
N19
N52
N66
N69
MILLCREEKEAST
N56
N3
N76
N23
N25
N77
N65
MUSTANG
N73
N78
N18
N57
N58
N30
N50
N28
N27
N51
PECANGLEN
N20
N29
N33
GUNROD
N86
N21
N32
N62
N64
N22
N35
N60
N61
N51
N37
FARMERSROAD
BRENHAM
N14
N31
N63
PAXTON
KRUSE
N33
HILLSIDEACRES
N59
N15
HILLSIDEACRES
N12
KOVILES
BSN36S
KM
HIGHLINE
TRIANGLEZ
WONDERHILL
CANEYCREEK
MILLCREEKEAST
HOMELAND
NEWWEHDEM

Washington County Appraisal District
Neighborhoods



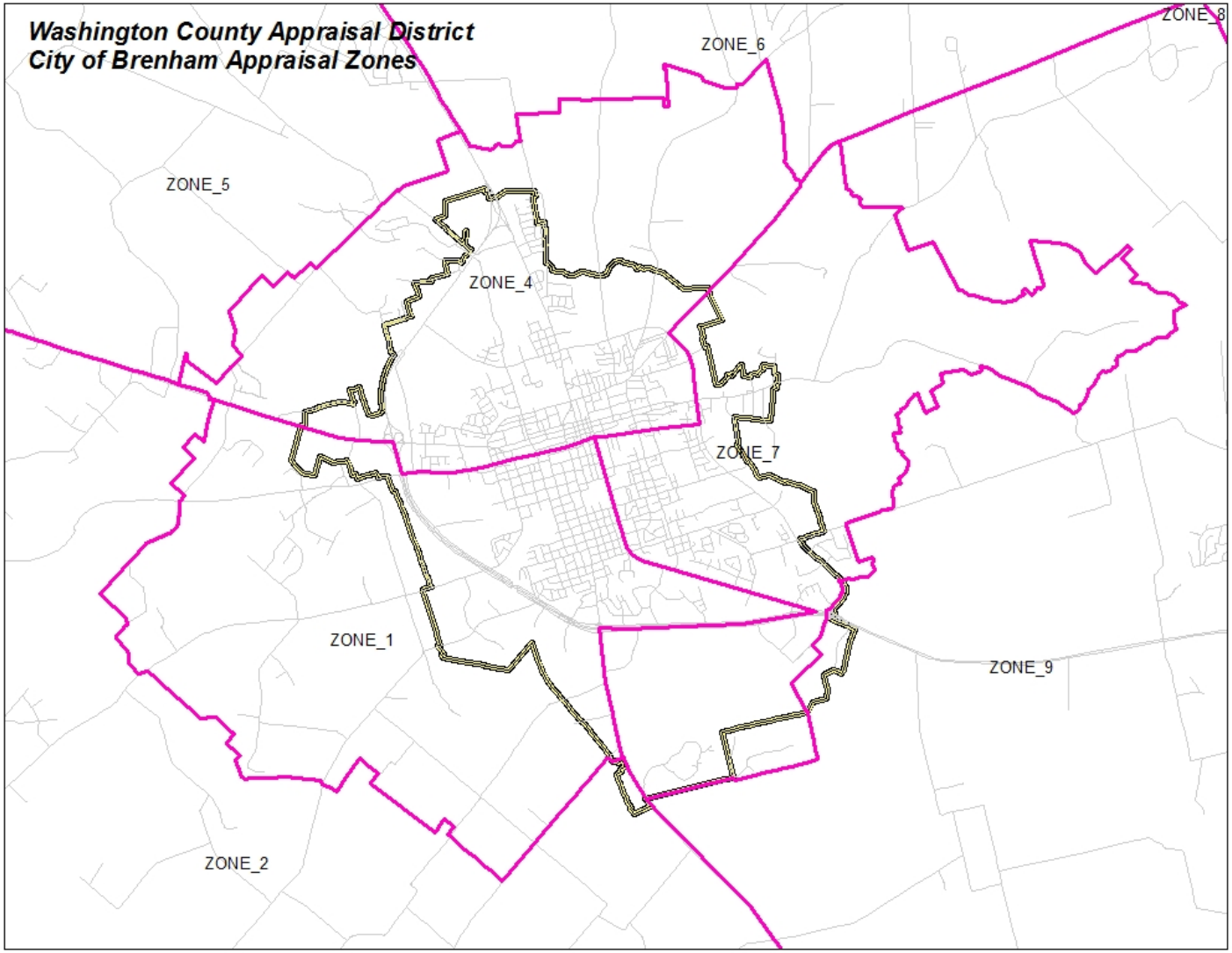
Attachment G:
Work Zones

2015 Work Area

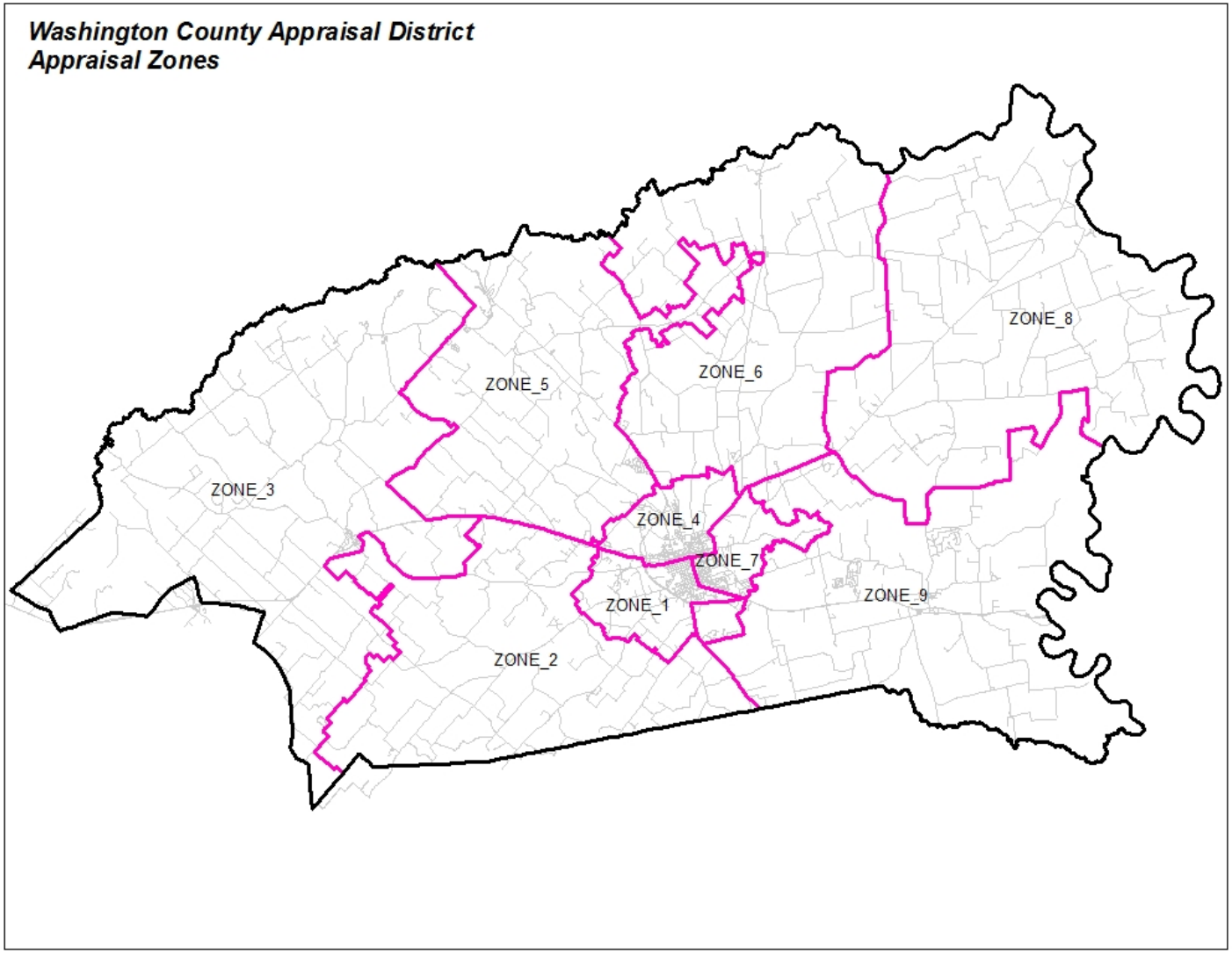
Zone 1
Zone 4
Zone 6
Zone 7
Zone 8

2016 Work Area

Zone 1
Zone 2
Zone 3
Zone 4
Zone 5
Zone 7
Zone 9


Washington County Appraisal District
City of Brenham Appraisal Zones
ZONE_6
ZONE_8
ZONE_5
ZONE_4
ZONE_7
ZONE_1
ZONE_9
ZONE_2

Washington County Appraisal District
Appraisal Zones



Attachment H:
Planning Calendar

CALENDAR OF KEY EVENTS FOR 2015 TAX YEAR		
KEY EVENTS	**PROJECTED STARTING DATE**	**PROJECTED COMPLETION DATE**
Increment Tax Year from 2014 to 2015	July 25 ,2014	August 15, 2014
Conduct 2014 Supplemental Processing	August 1, 2014	July 30, 2015
Conduct 2015 Data Entry	August 1, 2014	July 30, 2015
Resume and continue data collection-verification-analysis	August 1, 2014	July 30, 2015
Resume and continue ratio studies	August 15, 2014	July 30, 2015
Resume and continue ownership and property updates (splits/comb/new/other)	August 1, 2014	July 30, 2015
Resume and continue mapping updates	August 1, 2014	July 30, 2015
Conduct real property inspections	August 1, 2014	April 24, 2015
Review Connect Assessment (Change finder)	August 1, 2014	October 15, 2014
Conduct residental property drive-by inspections (Zone 1, Zone 4, Zone 7)	August 15, 2014	October 1, 2014
Conduct real property on-site inspections (Zone 1, Zone 4, Zone 7)	August 15, 2014	October 30, 2014
Conduct real property and Ag. drive-by inspections (Zone 6, Zone 8)	October 15, 2014	November 15, 2014
Conduct real property on-site inspections (Zone 6, Zone 8)	November 1, 2014	December 15, 2014
Conduct property inspections for critical January 1st properties (Partials/MH Parks)	December 18, 2014	January 14, 2015
Perform January 1 data processing functions	December 1, 2014	January 31, 2015
Process exemption applications and special use valuation applications	January 5, 2015	April 30, 2015
Process business personal property renditions	February 15, 2015	April 30, 2015
Review, analyze and define market areas	April 1, 2015	April 30, 2015
Conduct pre-notice ratio studies	March 1, 2015	May 15, 2015
Review, adjust and test models	April 15,2015	May 15, 2015
Receive and process oil and gas values	May 1, 2015	May 15, 2015
Receive and process industrial and utility values	May 15, 2015	June 15,2015
Submit preliminary estimates of taxable value to taxing units	April 15, 2015	April 30, 2015
Conduct Informal hearings	May 1, 2015	July 31, 2015
Conduct Formal Hearings	June 20, 2015	July 31, 2015
ARB Approves 2015 Appraisal Records	July 10, 2015	July 31, 2015
Chief Appraiser Certifies 2015 Value to Taxing Units	July 11, 2015	August 3, 2015

CALENDAR OF KEY EVENTS FOR 2016 TAX YEAR		
KEY EVENTS	**PROJECTED STARTING DATE**	**PROJECTED COMPLETION DATE**
Increment Tax Year from 2015 to 2016	July 25 ,2015	August 15, 2016
Conduct 2015 Supplemental Processing	August 1, 2015	July 30, 2016
Conduct 2016 Data Entry	August 1, 2015	July 30, 2016
Resume and continue data collection-verification-analysis	August 1, 2015	July 30, 2016
Resume and continue ratio studies	August 15, 2015	July 30, 2016
Resume and continue ownership and property updates (splits/comb/new/other)	August 1, 2015	July 30, 2016
Resume and continue mapping updates	August 1, 2015	July 30, 2016
Conduct real property inspections	August 1, 2015	April 24, 2016
Conduct residental property drive-by inspections (Zone 1, Zone 4, Zone 7)	August 15, 2015	September 12, 2015
Conduct real property on-site inspections (Zone 1, Zone 4, Zone 7)	August 15, 2015	October 15, 2015
Conduct real property and Ag. drive-by inspections (Zone 2, Zone 3, Zone 5, Zone 9)	October 1, 2015	October 15, 2015
Conduct real property on-site inspections (Zone 2, Zone 3, Zone 5 ,Zone 9)	October 1, 2015	December 15, 2015
Conduct property inspections for critical January 1st properties (Partials/MH Parks)	December 18, 2015	January 14, 2016
Perform January 1 data processing functions	December 1, 2015	January 31, 2016
Process exemption applications and special use valuation applications	January 5, 2016	April 30, 2016
Process business personal property renditions	February 15, 2016	April 30, 2016
Review, analyze and define market areas	April 1, 2016	April 30, 2016
Conduct pre-notice ratio studies	March 1, 2016	May 15, 2016
Review, adjust and test models	April 15,2016	May 15, 2016
Receive and process oil and gas values	May 1, 2016	May 15, 2016
Receive and process industrial and utility values	May 15, 2016	June 15,2016
Submit preliminary estimates of taxable value to taxing units	April 15, 2016	April 30, 2016
Conduct Informal hearings	May 1, 2016	July 31, 2016
Conduct Formal Hearings	June 20, 2016	July 31, 2016
ARB Approves 2016 Appraisal Records	July 10, 2016	July 31, 2016
Chief Appraiser Certifies 2016 Value to Taxing Units	July 11, 2016	August 3, 2016